DOCUMENT RESUME

ED 033 212 VT 009 245

By-Bakke, E. Wight
The Mission of Manpower Policy. Studies in Employment and Unemployment.
Upjohn (W.E.) Inst. for Employment Research, Kalamazoo, Mich.
Pub Date Apr 69
Note-135p.
Available from-W.E. Upjohn Institute, 1101 Seventeenth Street, N.W., Washington, D.C. 20036 (no charge for single copies)
EDRS Price MF-$0.75 HC-$6.85
Descriptors-Economically Disadvantaged, Federal Programs, *Foreign Countries, *Historical Reviews, *Manpower Development, Objectives, *Policy Formation, *Program Evaluation, Public Policy
Identifiers-England, Sweden, The Netherlands, United States

The rationale for present manpower programs and its utility for future manpower policy are discussed. The approach focuses attention on such questions as the following: Does the present de facto meaning of manpower policy, which is implicit in what is now being attempted in the so-called "manpower programs," exhaust the potential operational meaning of that policy? Is there a more comprehensive and basic meaning which can govern the current and future development of programs, a development which is oriented toward the nation's total manpower problems, of which that concerning the disadvantaged is only a part? Indeed, is concentration on the meaning of manpower policy implicit in the present programs inhibiting the realization of that more comprehensive and basic concept of manpower policy which could give direction to government action in this area? These problems are related to the maintenance of resources (both supply and demand) and the processes of a system of particularized employment, which is the foundation not only for the economic and social well being of all workers, but also for the economic and socialist ability and progress of the nation. (Author/CH)

ED033212

The Mission of Manpower Policy

E. Wight Bakke

Studies in
Employment
and
Unemployment

VT009245

The Mission of Manpower Policy

By
E. WIGHT BAKKE
Sterling Professor of Economics
Yale University
and
Research Associate of the Institute

April 1969

The W. E. Upjohn Institute for Employment Research
300 South Westnedge Avenue
Kalamazoo, Michigan 49007

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
OFFICE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL OFFICE OF EDUCATION POSITION OR POLICY.

The W. E. Upjohn Institute for Employment Research

THE INSTITUTE, a privately sponsored nonprofit research organization, was established on July 1, 1945. It is an activity of the W. E. Upjohn Unemployment Trustee Corporation, which was formed in 1932 to administer a fund set aside by the late Dr. W. E. Upjohn for the purpose of carrying on "research into the causes and effects of unemployment and measures for the alleviation of unemployment."

One copy of this bulletin may be obtained without charge from the Institute in Kalamazoo or from the Washington office, 1101 Seventeenth Street, N.W., Washington, D.C., 20036. Additional copies may be obtained from the Kalamazoo office at a cost of 50 cents per copy.

The Board of Trustees of the W. E. Upjohn Unemployment Trustee Corporation

HARRY E. TURBEVILLE, *Chairman*
E. GIFFORD UPJOHN, M. D., *Vice Chairman*
DONALD S. GILMORE, *Vice Chairman*
D. GORDON KNAPP, *Secretary-Treasurer*
MRS. GENEVIEVE U. GILMORE
ARNO R. SCHORER
CHARLES C. GIBBONS
PRESTON S. PARISH
MRS. HAROLD J. MALONEY

C. M. BENSON, *Assistant Secretary-Treasurer*

The Staff of the Institute

HAROLD C. TAYLOR, PH.D.
Director

HERBERT E. STRINER, PH.D.
Director of Program Development

Kalamazoo Office

SAMUEL V. BENNETT, M.A.
EUGENE C. McKEAN, B.A.
HAROLD T. SMITH, PH.D.
HAROLD C. TAYLOR, PH.D.
HENRY C. THOLE, M.A.
W. PAUL WRAY
E. EARL WRIGHT, PH.D.

Washington Office

E. WIGHT BAKKE, PH.D.
A. HARVEY BELITSKY, PH.D.
SAUL J. BLAUSTEIN, B.A.
SAMUEL M. BURT, M.A.
SIDNEY A. FINE, PH.D.
J. E. MORTON, JUR.D., D.Sc.
MERRILL G. MURRAY, PH.D.
HAROLD L. SHEPPARD, PH.D.
IRVING H. SIEGEL, PH.D.
HERBERT E. STRINER, PH.D.

The Author

E. Wight Bakke has been Sterling Professor of Economics in Yale University since 1940 and has been on the faculty there since 1932. From Northwestern University he obtained a B.A. degree in 1926 and an LL.D. (honorary) in 1964; from Yale University he obtained his Ph.D. in 1932. He is listed in *Who's Who in America* and in *American Men of Science.*

Professor Bakke is the author of a number of books and articles on labor economics including seven books on labor market problems, the latest being *A Positive Labor Market Policy.* He has served as general rapporteur for three OECD (Organisation for Economic Co-operation and Development) international conferences on manpower policy. From the thirties on he has served as consultant to the Department of Labor and other government agencies concerned with the administration of social insurance and manpower legislation. He is a member of the National Manpower Policy Task Force, a private research group.

Professor Bakke undertook the research for this publication as an Institute research associate.

Preface

My reasons for writing this pamphlet are set forth in Chapter I. It will not be necessary, therefore, to elaborate on them here. Briefly stated, however, those reasons stem from my uneasiness about the limited mission which has emerged for what has been labeled "manpower policy and practice" in the United States in the sixties. There is, I believe, a real danger that, once the concentration on seeking out, and increasing the employability of, the most disadvantaged of the actual and potential labor force has created for legislators, administrators, employers, workers, and the public an image of the meaning of manpower policy, that image will block progress toward the development of a policy and program designed to tackle the total manpower problems faced by the nation. Those problems are related to the maintenance of the resources (both supply and demand) and the processes of a *system of particularized employment,* which is the foundation not only for the economic and social well-being of all workers (not just the disadvantaged), but also for the economic and social stability and progress of the nation.

My criticism of the present manpower program is not, therefore, by reference to its objective to bring the disadvantaged into the mainstream of dependable and rewarding employment, a most laudable objective. My criticism is that this objective, though an important part of a comprehensive mission for manpower policy, is not adequate to provide direction for such a comprehensive mission. Moreover, since the ultimate solution to the problems of the disadvantaged is their integration into an adequate system of particularized employment engaging the total labor force, a manpower policy with a mission defined in terms less comprehensive than making that system effective does not adequately serve even the disadvantaged.

My description of the way in which the emphases in the manpower program in the United States have created a *de facto* concept of mission will appear to Americans familiar with the record of the sixties to be an elaboration of the obvious. I trust they will excuse that elaboration in view of the fact that the readers of this pamphlet will include those who are not so familiar with that record.

In citing the manpower developments which have taken place in Europe in the postwar period, I have no intention to propose them as a model for application to the United States. They are recorded simply to suggest some aspects of a comprehensive manpower policy and mission which we have relatively neglected.

My thanks are due to numerous colleagues with whom I have discussed the issues raised in this pamphlet, particularly the members of the National Manpower Policy Task Force (some of whom I am sure will disagree with the conclusions reached), and to legislators, administrators, and labor and management leaders in the United States and abroad. The nearly unanimous response of those administrators of the manpower programs in the United States, to whom I sent a request for comments on the issues, was most helpful and is much appreciated. For the encouragement to undertake this think-piece, and for support in the undertaking I am most grateful to Herbert E. Striner and the W. E. Upjohn Institute for Employment Research. The positions taken herein do not, of course, commit the Institute and should be attributed solely to the author.

E. Wight Bakke

New Haven, Connecticut
November 1968

Contents

Preface v

I. Manpower Policy in Search of a Mission 1

II. The *De Facto* Mission of American Manpower Policy 5
  The Disadvantaged as a Target Group 7
  Mission of OEO 15
  Proportions of Manpower Appropriations for the Disadvantaged 15
  New Developments in Manpower Practice 18
  Emphasis on Supply of Labor 20

III. Scope of Manpower Policy in Western Europe 24
  England 24
  The Netherlands 31
  Sweden 32

IV. Emphases in Western Europe and in the United States Compared 38
  Missions of Manpower Policy 38
  Operational Field and Clientele of Manpower Policy 40
  Appropriate Methods of Manpower Policy and Practice 41
  Summary 43

V. How Did We Get That Way? 45
  Postwar Development of European Manpower Approaches ... 48
  Developments in the United States 56

VI. Consequences of Postwar American Manpower Policy 67
  Positive Achievements 67
  Some Second Thoughts 73
  Unsatisfied Manpower Needs 73
  Minimal Attention to Prevention 74

Limited Relevance to Overall Economic Stability and Growth 76
The Target Groups 77
Focus on Local Manpower Problems 82
What Are Manpower Issues? 82
Minimal Relevance to Concerns of Other Economic Policy Agencies 85
Limitations on Policy Expansion 86
Unrealized Potential Aid to the Disadvantaged 89
Manpower Policy and the "War on Poverty" 93

VII. The Mission of a Positive Manpower Policy 97
Target Group Mission 98
Support for Basic Human Values Mission 100
Contribution to the Solution of Societal Problems Mission 102
Operational Field Mission 103
What's in a Name? 105
A Comprehensive Manpower Policy 107
The Integrating Focus: Economic or Social Welfare? 109

VIII. Distribution of Responsibilities and Tasks 112
The Mode of Involvement 113
Premises for Allocation of Functions 116
Summary 123

I. Manpower Policy in Search of a Mission

Under the label of "manpower policy," the federal government is financing and attempting to guide one of the most fundamental experiments ever undertaken by any government to reduce, by action directed toward specific individuals, the distress of its economically disadvantaged citizens.

It is not my purpose to evaluate or criticize this effort by reference to the expressed or implied objectives of its sponsors and the criteria suggested by those objectives. Many crucial questions arise from that point of view. Knowledgeable and responsible critics, sympathetic and unsympathetic, both in government and in private circles, have debated them. Are the so-called manpower programs really reaching the most disadvantaged? Are the techniques used realistically adapted to the particular characteristics of the disadvantaged? Are the beneficiaries successful in finding jobs? Do a significant number of those to whom effort is directed become self-supporting? Are the actual results for them an increase in employability or merely amplified temporary income support? Are private sources of employment being involved to the extent necessary to provide adequate jobs for the disadvantaged? If the disadvantaged find jobs, do they merely take the place of those who might have filled those jobs in the absence of the manpower programs? Are the income and social benefits realized by those who are the objects of the programs greater than the monetary costs to the government? Are the available funds allocated to programs, and are the programs administered in a way which results in minimum waste and maximum benefit in bringing the left-out and left-behind into the mainstream of American work and life? Given that the objective is to increase the employability of the most disadvantaged among our citizens by direct service to them, these are plausible, important, and necessary questions to ask.

I do not propose to question that objective as a legitimate and necessary goal of government action. It indicates a recognition by the government of a responsibility for the welfare of its individual citizens which, when carried out successfully, develops or restores the most basic source of their own contribution to their own welfare, that is, their employability. That objective is central to developing a highly sophisticated system of public assistance to the needy among us, a system far more consistent with the maintenance of human dignity and more likely to result in *general* social stability and welfare than the traditional charity-oriented forms of poor relief.

My purpose, in other words, is not to criticize present manpower programs, given the acceptability of their present *de facto* objective, but to raise the question of whether that objective is a sound and sufficient basis for the development of manpower policy now and in the future. That approach focuses attention on such questions as the following: Does the present *de facto* meaning of *manpower policy,* which is implicit in what is now being attempted and done in the so-called "manpower programs," exhaust the potential operational meaning of that policy? Is there a more comprehensive and basic meaning which can govern the current and future development of programs, a development which is oriented toward the nation's *total* manpower problem, of which that concerning the disadvantaged is only a part, albeit an important part? Indeed, is concentration on the meaning of manpower policy implicit in the present programs inhibiting the realization of that more comprehensive and basic concept of manpower policy which could give direction to government action in this area? Is it possible that efforts directed to a more comprehensive objective would produce even greater possibilities than present efforts for the employability and employment not only of the disadvantaged but of all citizens?

There is much to be said for the current *de facto* concept of manpower policy. One thing is that it is as traditionally American as apple pie. The major premise of that policy is the very sound principle that the willingness and ability of the individual to find and to do work is the foundation for the individual's economic, political, and social well-being and that of his family. In America willingness, ability, and finding the opportunity, to work are traditionally the responsibility and task of individuals. But some individuals are left behind in the generally successful efforts of most individuals to meet that responsibility. Traditionally the accepted responsibility of government to such individuals, in addition to encouraging the initiative and enterprise of employers and to improving the general environment of education and health for workers, has been to supplement private efforts with assistance from public sources. Those public efforts were designed, first, to supply a minimum of physical existence and social work services to those unable for any reason to make it on their own; second, through various forms of social insurance to provide, out of funds built up during periods of the workers' gainful employment, and related to it, minimum income during breaks in, or retirement from, that employment; third, to give some assistance in finding jobs. Social insurance earned as a right by reference to work done and placement in a job by an Employment Service were intended to reduce the probability of the need for outright relief. The present manpower efforts to make more effective the placement of workers in jobs by increasing the employability of the disadvantaged are intended to reduce still further that need and, what is equally important, to give individuals the chance to know and respect themselves not only as self-supporting men and women, but as contributors to the products and services which benefit the nation and all its people. This is clearly in the American tradition.

No one who is aware of the human, social, economic, and political results of unemployment and poverty would advocate abolition of what is presently being done under the "manpower" umbrella. Nor would he fail to recognize that what is being done exemplifies a form of public assistance more progressive and challenging and more consistent with our ideals of individualism than that employed prior to the 1930's and still dominating the role of government in relation to those citizens unable at the moment completely to support themselves. I shall, however, urge that manpower programs take their place as merely a part of a more comprehensive and basic employment policy and program; and that the evaluation of the effectiveness of, and justification for, the present programs be related not merely to how many disadvantaged become less disadvantaged, but to the contribution of those programs to the full, productive, economically rewarding and dependable, individual and national growth-stimulating, and freely chosen particularized employment, the foundation alike for the economic strength and progress of the nation and the economic and social well-being of its people. Furthermore, I shall urge that the overall manpower policy be so conceived and implemented that it becomes an integral, active, and positive partner in the full roster of governmental economic, political, and social policies designed to increase the strength and security of the nation and of all its citizens.

It is not an exaggeration to assert that unless this is done, a serious threat is posed to the progressive development of an appropriate and viable mission, scope, and focus of national manpower policy and practice by the narrow *de facto* operational definition now given to manpower policy by programs carrying the manpower label.

The most serious current threat stems from two premises which, to judge from legislative and administrative action since the passage of the Manpower Development and Training Act in 1962, dominate the concept of manpower policy at all levels of government. The first premise is that manpower programs are primarily concerned with the development of the supply of labor and its placement. The second is that they are concerned predominantly with the development of the most disadvantaged and poverty-stricken portion of that supply. The overall function of manpower policy and practice in the total effort to provide a stable and increasingly productive economic foundation for national strength and development, as well as for the economic well-being of the American people, has all but been lost sight of in the concentration on projects labeled "manpower" designed to relieve poverty and hopefully to reduce the chances of riots in the urban ghettos.

No one will deny that these latter efforts are important and necessary functions of government or that they move toward objectives, the achievement of which is instrumental to the overall goal of manpower policy more broadly defined. But unless the programs designed to relieve poverty are recognized as only a part of the overall manpower function; and unless the present direction of legislative and administrative thinking and action is changed, the manpower function of government will remain what it is actually becoming — a sophisticated form of public assistance.

Some persons assert that the relief and rehabilitation of the disadvantaged provide an adequate mission for manpower policy. In their view, the sole appropriate role of government is to "pick up the pieces." I do not share that view. Is it not equally appropriate that manpower policy be directed toward seeing to it that there are fewer pieces to pick up?

II. The *De Facto* Mission of American Manpower Policy

Why be concerned about the perception by government officials, by parties at interest, and by the public of the basic long-range objectives and mission of manpower policy and practice? Is legislative and administrative action in response to experienced problems realistically governed by the concepts the decisionmakers have of long-range objectives and mission? Is it not more plausible to conclude that decisionmakers adapt pragmatically to the nature of the problems and then proclaim their concepts of long-range purpose and mission to justify the actions they have taken?

It is not necessary to assume that men rationally follow a logical course of action toward well-defined preconceived goals — a course consistent with a preconceived mission — in order to observe that concepts of goals and mission play a key role in determining the action taken. Such concepts can be, and frequently are, decisive influences on the choices made by political decisionmakers in their collective role as managers of the public's affairs, for which managment they are held accountable by parties whose private interests are affected and also by the public.

In a pluralistic free society, public policies and programs are dependent for their effectiveness on a widespread majority consensus that what is done is appropriate to the problem faced and tolerable to those whose support for the policy and programs is required. In the creation of that consensus the objectives intended to be achieved and the appropriateness of the mission of government in achieving them are persuasive factors. Moreover, proposals for the development of that policy over time reveal continued and repeated reference to the perception and understanding of those objectives and that concept of appropriate mission. Such considerations suggest the range and nature of the problems and opportunities that will have to be dealt with when the policy is brought out into life and its implementing mechanisms are administered. They suggest many of the normative criteria for the evaluation of its effectiveness and efficiency. They suggest the boundaries of the operational field in which program developers and administrators can legitimately work and the limits on the kinds of action for which they are responsible. They suggest, and to a high degree control, the kinds of collaborative or competitive relationships which those involved in the particular area of policy and practice will have with those involved in other areas of public or private policy and practice. The issue of objectives and mission of public policies, programs, and agencies is, therefore, a highly practical one, not merely the subject for academic debate. Practical and consistent action, at least in the long run, can scarcely be expected from those who redouble their efforts when they have forgotten or are unsure about their aim.

Critics of the numerous Acts of Congress and Executive Orders which have given substance to the "manpower" effort of the federal government since

World War II have frequently referred to the lack of a well-defined and consistent objective and to the evidence of uncertainty as to what the appropriate mission of government is in this area of operation. Even those most sympathetic to such government action have differed as to what policy, if any, was governing the growth of manpower services, and the most critical persons have viewed that policy as a hazy oblong blur. Many, and especially those in government positions who were handed the task of administering the services, were concerned about the "bits-and-pieces" process of legislation and the shifting emphases of directives, which never seemed to settle down to make possible an orderly, dependable, and long-range approach to manpower problems. Their concern was that without a clear concept of what the basic objectives and mission are, we would end up with a crazy-quilt pattern of overlapping and even competing programs. That would result in pouring the country's resources into activities that would be confusing both to administrators and beneficiaries and which, although expensive, would fail to accomplish what a manpower policy and program could potentially accomplish.

Anyone acquainted with how such government efforts develop, however, realizes that even when they are not initiated with a well-defined objective in mind, a *de facto* objective does emerge in time. The *de facto* objective comes into focus after the fact. The character of the activities undertaken begins to move in a certain direction, and that direction suggests the objective implicit in what is being done. The objective and mission of manpower policy and programs and of the government agencies administering them are defined simply as doing more of what is being done, and doing it more efficiently.

Now there is nothing unusual or wrong about that, *unless* what we are doing is getting us into habits of thought and action which prevent or inhibit progress toward developing a manpower policy and program directed toward more comprehensive objectives which, while fully consistent with the implicit *de facto* objective, provide a guide for reasonable and effective dealing with the nation's *total* manpower problem and for intergrating such effort effectively with all other policies intended to strengthen the economic stability and growth of the nation and to increase the economic and social well-being of all our citizens. In my judgment, that is precisely the danger we face. The trouble with defining our objective as doing more of, and doing more efficiently, what we are already doing, is that such an approach provides us with no standard for evaluating whether what we *are* doing is moving in the direction of what we *ought to be* doing.

Some critics have used the words "experimentation" and "learning" as terms to describe the various manpower programs launched since World War II. The words are well and accurately chosen. But it has not been experimentation in the development of a comprehensive and positive manpower policy and program, and the learning has not been about the problems and opportunities associated with programs to achieve that purpose. It has been increasingly experimentation in the development of a fundamentally sound approach to public assistance for the most disadvantaged members of the actual or potential labor force. The learning has been focused on the development of means preferentially to amplify and improve the *supply* of labor, predominantly that supply potentially available among marginal labor force groups and individuals, and to find a place for them in the world of work. Additional experimentation and learning have focused on providing those who have been unsuccessful in solving their own personal problems of self-support the opportunity to gain experience in planning and administering local programs designed to solve those problems for other disadvantaged and unsuccessful people.

The Disadvantaged as a Target Group

The disadvantaged persons have been defined directly and indirectly in directives from the "manpower" authorities to include (1) the unemployed and especially those out of work for 15 weeks and more; (2) the nonwhite; (3) youths, especially the "dropouts" with less than a high school education; (4) those over 45 years of age; (5) the recipients of public assistance; (6) the physically, mentally, and socially handicapped; (7) the residents of inner-city "ghettos"; (8) members of families in poverty, operationally defined as families having an annual income of less than $3,150 a year.[1]

In January of 1968, President Johnson, in proposing his ideas for amplification of the nation's manpower effort, described graphically the characteristics of the groups of individuals to whom attention was to be directed. The words of his message leave no doubt as to the intended target groups of that effort.

> Our past efforts, vital as they are, have not yet effectively reached the hard-core unemployed. These hard-core are America's forgotten men and women. Many of them have not worked for a long time. Some have never worked at all. Some have held only odd jobs. Many have been so discouraged by life that they have lost their sense of purpose.
>
> In the depression days of the 1930's, jobless men lined the streets of our cities seeking work. But today, the jobless are often hard to find. They are the invisible poor of our Nation.
>
> Last year I directed the Secretary of Labor to bring together in one unified effort all the various manpower and related programs which could help these people in the worst areas of some of our major cities and in the countryside. The Concentrated Employment Program was established for this purpose.
>
> Its first task was to find the hard-core unemployed, to determine who they are, and where and how they live. Now we have much of that infor-

---

[1] For a family of four; the figures vary in proportion to the number of dependents.

mation. 500,000 men and women who have never had jobs — or who face serious employment problems — are living in the slums of our 50 largest cities. The first detailed profile we have ever had of these unemployed Americans reveals that substantial numbers lack adequate education and job training; have other serious individual problems — such as physical handicaps — which impair their earning ability; are Negroes, Mexican-Americans, Puerto Ricans, or Indians; are teenagers, or men over 45.

As the unemployed were identified, the Concentrated Employment Program set up procedures for seeking them out, counseling them, providing them with health and education services, training them — all with the purpose of directing them into jobs or into the pipeline to employment. . . .

The question for our day is this: in an economy capable of sustaining high employment, how can we assure every American, who is willing to work, the right to earn a living? We have always paid lip service to that right.

But there are many Americans for whom the right has never been real:

> The boy who becomes a man without developing the ability to earn a living.
>
> The citizen who is barred from a job because of other men's prejudices.
>
> The worker who loses his job to a machine, and is told he is too old for anything else.
>
> The boy or girl from the slums whose summers are empty because there is nothing to do.
>
> The man and the woman blocked from productive employment by barriers rooted in poverty: lack of health, lack of education, lack of training, lack of motivation.

Their idleness is a tragic waste both of the human spirit and of the economic resources of a great Nation. It is a waste that an enlightened Nation should not tolerate. It is a waste that a Nation concerned by disorders in its city streets cannot tolerate.

This Nation has already begun to attack that waste. In the years that we have been building our unprecedented prosperity, we have also begun to build a network of manpower programs designed to meet and match individual needs with individual opportunities.

Until just a few years ago, our efforts consisted primarily of maintaining employment offices throughout the country and promoting apprenticeship training.

The Manpower Development Training Act, passed in 1962, was designed to equip the worker with new skills when his old skills were outdistanced by technology. That program was greatly strengthened and expanded in 1963, 1965 and again in 1966 to serve the disadvantaged as well. . . .

Our manpower network grew as the Nation launched its historic effort to conquer poverty:

> The Job Corps gives young people from the poorest families education and training they need to prepare for lives as productive and self-supporting citizens. . . .
>
> The Neighborhood Youth Corps enables other poor youngsters to serve their community and themselves at the same time. Last year the Congress expanded the program to include adults as well. . . .
>
> Others, such as Work Experience, New Careers, Operation Mainstream, and the Work Incentive Program, are directed toward the employment problems of poor adults.[2]

The emphasis urged by the President in 1968 had characterized the *de facto* concept of the mission of the agencies of manpower policy for several years. His words were reenforced by speeches at public gatherings and in admonitions to staff by Secretary of Labor Wirtz under whose supervision a large number of the major manpower programs were operated.

The developments in the several agencies concerned with manpower programs were oriented toward this mission.

Impact on Mission of the Employment Service

The central and most essential manpower agency in all countries is the Employment Service. Since the late fifties those responsible for that agency in the United States have striven to make it "a genuine manpower center." They stressed testing, counseling, and placement for young persons and adults at all occupational levels, thus challenging the image of an "unemployment office" it had acquired by virture of its close association with unemployment insurance clients. Special attention was devoted to those who were hard to place, thus making the Employment Service more than a "mere mechanical labor exchange" operation for referring to employers the names of registered unemployed workers who hopefully would satisfy the job specifications submitted by those employers. Experimental efforts were launched looking toward more rapid transmission beyond the local labor market of information about job openings and available manpower and toward making more efficient the interarea referral and recruitment facilities. Efforts were directed toward building a service effectively serving a national labor market and responsive to national manpower needs.

What the concept of the Employment Service office as a manpower center had become by 1967 is mirrored in the comments of Frank Cassell, a prominent steel executive who, in early 1966, on leave from his company, undertook the directorship of the Employment Service. Under his administration was launched the Human Resources Development Program, the purpose of which was to "screen in" rather than to "screen out" those who, at the time, were the least employable. Cassell's comments, speeches, writings, and instructions to staff pushed this concept of the mission of the Employment Service. A few quotations will indicate the concept of "manpower" approach toward which the Employment Service was oriented as well as the sincere humanitarian motives in which the approach was rooted.[3]

---

[2] White House Press Release, January 23, 1968.

> . . . it is only recently that our society has accepted the proposition that all its citizens are to be brought into the mainstream of its economic and social life and [has] recognized that employment in a meaningful job is the first step in doing so.
>
> The national spotlight is focused on the problems of the poor and the disadvantaged, on ways to bring the hard-core into the work force, to replace hopelessness with hope, and to help make those presently unemployable into productive workers.
>
> At the top of the list of priorities I place: to serve the disadvantaged in whatever ways [are] deemed necessary, in cooperation with other agencies, so that the greatest needs are met first, and that those who were last in everything else would receive the services of the USES first.
>
> This is behind the Human Resources Development Program instigated by Secretary of Labor W. Willard Wirtz in a speech in Chicago in November 1965. . . . The efforts are directed toward the marginally employable, the chronically unemployed, and those who through discouragement have given up even trying to find a job. The program has a dual thrust — combing neighborhoods in poverty areas to find the unemployed or underemployed in order to identify their needs and capabilities, and developing job opportunities for them. The ultimate goal is to get them out of the throes of welfare and charity and social alienation and help them to become self-sufficient useful members of society.
>
> The segments of our population under the "economic blot" and who need help based on the HRD concepts are mainly in the slums and ghettos and the pockets of poverty in rural areas.
>
> But the Human Resources Development Program at the present time is focused initially on the inner city problem. It is based on a person-to-person approach. We call it outreach. . . . In the HRD program, outreach means far more than knocking on doors and asking questions. It means going into the pool halls, bars, street corners, alleys, and other places where the unemployed in the slum areas hang out, to find the jobless and ac-

---

[3] Frank H. Cassell, *The Public Employment Service: Organization in Change* (Ann Arbor, Michigan: Academic Publications, 1968), pp. 105 and 115ff.

quaint them with the services that are available that lead to a job. It means taking into consideration the basic problems, characteristics, and conditions of life of the person involved. It means trying to get "at" a person, to break through what to most of us is an alien veneer of social mores, and try to figure out how he could be motivated and helped to take a meaningful place in American society. In a sense, it means being the Good Samaritan who offers the helping hand.

After outreach comes the next step which involves skillful counseling and the development of a plan of service tailored to individual needs. This plan runs the gamut from suitable training or retraining, any supportive services such as basic education or literacy help, and medical or psychological service, to job development and eventual placement.

Impact on Mission of MDTA

Another program in the roster of manpower programs is that provided by the Manpower Development and Training Act. When it was launched in 1962, the primary concern of its sponsors was, through training and retraining, "to meet the needs of the technological age," retreading with occupational skills those displaced by technological advances, and reducing through training programs the manpower shortages appearing in "many vital occupational categories, including professional, scientific, technical, and apprenticeable categories."[4]

In the years that followed, the focus moved steadily toward service to the disadvantaged, involving, in Garth L. Mangum's words, "acceptance of the principle that improving the competitive position of the disadvantaged is an appropriate goal for public policy, even though it may threaten the more favorably situated."[5]

In 1966, guidelines were issued indicating that 65 percent of the MDTA trainees should be drawn from disadvantaged groups. The remaining 35 percent of training slots were to be used to reduce labor shortages, though the two groups of trainees are not, of course, completely separate.

That the emphasis has been moving in that direction can be seen in the following comparison of MDTA enrollees in institutional and on-the-job training courses in 1963 and in 1966 (see page 12).

---

[4] Quotations from the preamble of the Act.

[5] Garth L. Mangum, *The Contributions and Costs of Manpower Development and Training*, Policy Paper in Human Resources and Industrial Relations No. 5, a joint publication of the Institute of Labor and Industrial Relations, The University of Michigan-Wayne State University, with the National Manpower Policy Task Force (Ann Arbor, Michigan: 1967), p. 18.

Table 1

Percent of MDTA Enrollees With Disadvantaged Characteristics 1963 and 1966

Classification	1963	1966	Difference between 1963 and 1966
Total enrollment			
Institutional	58,400	162,500	
On-the-job training	3,600	67,800	
Percentage			
Under 22			
Institutional	30.9	38.0	increase
On-the-job training	36.1	35.0	small decrease
Over 44			
Institutional	10.2	11.2	small increase
On-the-job training	7.0	9.3	small increase
Education of 8 years or less			
Institutional	10.6	16.3	increase
On-the-job training	11.5	10.2	small decrease
Education 9 - 11 years			
Institutional	31.3	36.4	increase
On-the-job training	28.9	25.0	decrease
Nonwhite			
Institutional	27.2	40.1	large increase
On-the-job training	14.9	18.0	increase
Unemployed 15+ weeks			
Institutional	47.9	[a]41.5	decrease
On-the-job training	39.2	27.8	decrease
Public assistance recipients			
Institutional	8.6	11.7	increase
On-the-job training	2.2	1.3	decrease
Handicapped			
Institutional	6.3	8.6	increase
On-the-job training	3.8	3.5	decrease
Family heads with earnings under $3,000	N.A.	80.7	

Source: Adapted from Garth L. Mangum, *The Contributions and Costs of Manpower Development and Training,* Policy Paper in Human Resources and Industrial Relations No. 5, a joint publication of the Institute of Labor and Industrial Relations, The University of Michigan - Wayne State University, with the National Manpower Policy Task Force (Ann Arbor, Michigan: 1967), p. 21.

Note: N.A. — Not available.

[a] There were fewer of these in 1966 due to the reduction in the general level of unemployment.

The trend of MDTA toward a focus of attention on the disadvantaged is well summarized, and its consequent remedial mission is justified by Garth L. Mangum, who has not only analyzed the available data most thoroughly but has also been intimately involved as staff member and counselor to legislators and administrators before and since the Act was passed:

> In line with national policy trends which are less accepted at local levels, the Manpower Development and Training program has increasingly emphasized training and jobs for the disadvantaged. Many at the national level and more at the state and local levels complain that MDT is becoming "just another poverty program." They would be happier to concentrate on meeting labor shortages and upgrading the labor force, serving the disadvantaged only as a portion of the total. Their preferences are evident in legislation supporting refresher courses for out-of-the-labor force professionals, part-time upgrading projects for the employed and union-sponsored courses to upgrade skilled workers.
>
> MDT has been called a "band-aid" program, and in a favorable sense this is true. Its nature has been remedial: to train or retrain those beyond the reach of the education system, already in or on the fringes of the labor market and in trouble employmentwise. Its emphasis has been the individual and his problems — first the displaced, long-term employed adult, later the school dropout, and now the competitively disadvantaged in general — not the needs of the economy.
>
> Both facilitating the employment of the unemployed and upgrading the quality of the labor force are justifiable social goals, but two questions emerge. The first is one of priorities. MDT dollars are limited. Training the disadvantaged upgrades the labor force, but the opposite is not necessarily true. Given the limited budgets available and the human and social costs and benefits involved, the goal of enabling the disadvantaged to share in the progress and prosperity of the economy would seem to merit priority. The second question involves means. Preparing for employment is among the purposes of the educational system and is the specific objective of vocational education. Offerings of the latter include both secondary and post-secondary training and evening courses for employed adults. Institutional MDT training is also a part of vocational education but with two differences, only one of which is essential.
>
> The essential difference is that the manpower development trainee is in the labor market and is in immediate need of and searching for a job and income. The vocational education student is more often preparing for entry or, if already in the labor market, pursuing a longer term goal of upgrading his skills. . . .
>
> The nonessential difference between MDT and vocational education is the willingness and the developing ability of the former to serve those who previously have been too often ignored. . . . As vocational education

> assumes its proper role, MDT can and should be limited to remedial efforts in behalf of those in the labor market who need special assistance to negotiate its perils.
>
> The admonition that the MDT program should continue as a remedial program does not answer the question of how far down the ladder of those in need of help it should attempt to reach. The more disadvantaged the trainee, the greater the expense may be, particularly because of the heavy increment of basic education required. Post-training employment and earning records will be less favorable the more disadvantaged the trainee, limiting the program's demonstrable accomplishments. The choice may have political as well as economic and social consequences. . . . A program which undertakes the revolutionary role of bringing "in" the "left-outs" is less likely to achieve widespread political support.
>
> Yet the task is a necessary one. In the long run, programs to upgrade the labor force and improve the workings of the labor market will pay economic dividends. For the present, however, American society itself is threatened by the division between the prosperous many and the disadvantaged few. MDT has not been a program for those who were largely alienated from society. It has been effective for those motivated and willing to learn and work but lacking in skills and opportunity. The program has done reasonably well by minority groups, the more-than-elementary but less-than-high school educated youth, and the better-prepared poor.
>
> It has yet to serve adequately those with 8 grades or less of education, older workers and the rural unemployed and under-employed, and it has yet to penetrate the ghetto to any substantial degree. . . . Whatever is required will be more expensive and will produce fewer trainees per dollar. It may also involve reallocating jobs which would have otherwise been filled by the less-disadvantaged, but achievement of the objective is of the highest priority and worth the cost.[6]

Impact on Mission of Vocational Education

Another federal-state program closely related to manpower development is vocational education. In 1963 the Vocational Education Act had as one of its objectives to make it possible for vocational education institutions to serve "special needs" groups. Of the over six million youths and adults enrolled in courses supported by vocational education funds in 1966, however, only 49,000 fell into the "special needs" categories. There were of course students enrolled from poverty families and from the central city ghettos in regular courses. Yet it would appear that the conduct of vocational education has been only slightly affected by the emphasis observed in the manpower programs generally to focus on the disadvantaged as a target group.

---

[6] *Ibid.*, pp. 72-76.

Impact on Mission of Vocational Rehabilitation

Vocational Rehabilitation in the Office of Education found it unnecessary to modify its mission to conform with the general emerging emphasis since its clientele, by definition, have always been numbered among the disadvantaged. Vocational Rehabilitation agencies had already developed a comprehensive program for the disabled which, although not necessarily stressing the return to, or an improved status within, the labor force, provided a roster of services which revealed a framework of needs, many of which were experienced by other disadvantaged groups. The nearly fivefold increase in total federal basic support from $50 million in 1960 to $248 million in 1967, however, indicates a substantial concern of Congress and the Administration for this group among the disadvantaged.

Mission of OEO

The Office of Economic Opportunity with its roster of programs specifically for the disadvantaged, some of which have manpower components, is of course a prime example of the concentration of attention on the needs of this group.

In addition, there are a number of other "manpower" programs which focus on the problems of the disadvantaged, including those set in motion by the Nelson-Scheuer and the Kennedy-Javits Acts, and programs for special groups such as refugees, Indians, disabled veterans, prison parolees, etc.

Proportions of Manpower Appropriations for the Disadvantaged

An indication of how heavy the emphasis is on the disadvantaged in the programs normally considered to be of the "manpower" variety is found in proportions of the appropriations for the several programs which are intended to be directed toward the disadvantaged (see Table 2).

Three-quarters of the appropriations for programs usually considered to be in the "manpower" area in 1968 were directed toward services to the disadvantaged. There is, however, another federal effort which in any comprehensive concept of manpower policy can appropriately be included, and is included in the annual Manpower Reports of the President as evidence of federal activities in the manpower field. That is the substantial grants of the federal government in aiding young people preparing for professional and high-talent careers in the institutions of higher education. Federal funds provide scholarships, fellowships, traineeships, and loans to persons being trained in a variety of scientific and other professional fields. Medical and health services, the space sciences, teaching, and virtually every phase of the social and natural sciences are among the fields served.

Table 2

Share of Federal Manpower Funds for the Disadvantaged in 1968

(in millions)

Program	Total appropriation[a]	For the disadvantaged[b]
Total	**$2,344**	**[c]$1,767**
United States Employment Service	296	118
Bureau of Apprenticeship and Training	8	—
Bureau of Labor Statistics (Manpower)	9	1
Manpower Development and Training Act	416	270
Vocational Education	296	59
Vocational Rehabilitation	387	387
Neighborhood Youth Corps	281	281
Job Corps	285	285
Work Experience	45	45
Other OEO Manpower	[d]190	190
Adult Basic Education	39	39
New Careers	36	36
Operation Mainstream	36	36
Special Impact	20	20

[a] Adapted from Sar A. Levitan and Garth L. Mangum, *Federal Work and Training Programs in the 1960's* (Detroit: Wayne State University Press, 1968).

[b] Proportions *re* first three items based on estimates of program administrators; *re* MDTA, on two-thirds of total as ordered; *re* Vocational Education, on assumption of correspondence of number of poverty students to proportion of poverty families in the population.

[c] This represents 75 percent.

[d] Includes estimate of wages paid to the poor employed by Community Action projects.

In 1968 financial support to students preparing to teach and to students at the graduate and professional level was estimated to be in the neighborhood of $541 million.[7] If this had been added to the figures in the above table, the total "manpower" appropriations would have come to $2,885,000,000, and the percentage of this total focused on the disadvantaged would have been 61 percent, still a substantial proportion. And this would not have considered any of the students aided as necessarily "disadvantaged."

---

[7] Another $630,000,000 was distributed in aid to undergraduate students. The sum does not include federal funds for institutional support ($292,000,000), facilities and equipment ($560,000,000), and research ($1,301,000), also devoted in 1967 to the support of higher education, as reported in *Special Analysis, Budget of the United States 1969*, p. 97.

Nowhere is the limited scope of the concept of what is meant by "manpower" policy and practice in the United States more clearly revealed than in a special analysis of the budget of the United States, entitled *Federal Manpower Programs.*[8] In the explanation of the coverage and scope of that analysis are found the following words: "This five-fold increase [in the Federal Budget for manpower programs from 1964 to 1970] reflects the increasing emphasis on manpower programs as a method for increasing the employability of the disadvantaged — 'poor persons who do not have suitable employment and who are either (1) school dropouts, (2) under 22 years of age, (3) 45 years of age or over, (4) handicapped, or (5) subject to special obstacles to employment.' "

The analysis provided support for the above generalization in a table comparing the proportions of "disadvantaged" persons served by manpower programs in 1968 with the proportions of such individuals in the total 1967 work force and in the poverty population in 1966. Table 3 is a reproduction of that table.

Table 3

Estimated Characteristics of General Labor Force, Adult Poverty Population, and Manpower Program Participants

(in percent)

Characteristics	Total U.S. work force 1967 (age 16-64), civilian, non-institutional	Poverty population 1966 (age 16-64), civilian, non-institutional	Manpower programs, individuals served 1968 (age 14 and above)[1]
Aged 21 or less	14	22	64
Aged 55 or more	14	20	4
Male	63	39	57
Less than high school education	[2]39	(3)	80
8th grade education or less	[2]19	(3)	11
Poor	11	100	86
Welfare recipients	1	15	23
Nonwhite	11	35	44

[*Note:* This is a reproduction of Table K-9 in U.S. Bureau of the Budget, *Federal Manpower Programs,* Special Analysis K, a reprint of pages 134-147 from *Special Analysis, Budget of the United States 1970,* January 1969.]

[1] Agency data are not always comparable and all of the entries are estimates.

[2] For work force age 18-64.

[3] Not available.

---

[8] U.S. Bureau of the Budget, Special Analysis K, reprint of pages 134 to 147 from *Special Analysis, Budget of the United States 1970,* January 1969.

New Developments in Manpower Practice

Finally, as evidence of the high importance assigned to the development of manpower programs performing a mission favoring the disadvantaged is the "list of new aids to the competitively disadvantaged which have emerged from the [manpower] experiments of recent years" named by two of the economists who have substantial experience in service to the federal manpower decision-makers and agencies, have analyzed available data carefully, and have written extensively in evaluating the manpower programs. The list follows.[9]

1. Remedial education for the children of illiterate parents and the victims of deficient schools;
2. Outreach to seek the discouraged and undermotivated in their native habitat and to encourage them to partake of available services;
3. Adult basic education to remedy the academic deficiencies of those left behind by rising educational attainment;
4. Prevocational orientation to expose those of limited experience to alternative occupational choices;
5. Training for entry level skills for those unprepared to profit from the normally more advanced training which takes for granted the mastery of rudimentary education;
6. Subsidization of training costs to induce employers to accept less attractive employees for on-the-job training;
7. Training allowances to provide support and incentive for those undergoing training and residential facilities for youth whose home environment precludes successful rehabilitation;
8. Work experience for those unaccustomed to the discipline of the work place;
9. Job development efforts to solicit employer support and uncover job opportunities in keeping with the abilities of the disadvantaged job seeker;
10. Creation of public service jobs tailored to the needs of job seekers not absorbed in the competitive job market;
11. Supportive services, such as medical aid, for those who need correc-

---

[9] Sar A. Levitan and Garth L. Mangum, *Making Sense of Federal Manpower Policy*, Policy Paper in Human Resources and Industrial Relations No. 2, a joint publication of the Institute of Labor and Industrial Relations, The University of Michigan-Wayne State University, with the National Manpower Policy Task Force (Ann Arbor, Michigan: 1967), pp. 4ff.

tive measures to enter or resume positions in the world of work, or day-care centers for mothers with small children; and

12. Relocation allowances for residents in labor surplus areas and special inducements to employers to bring jobs to those stranded in depressed areas.

Another publication, of which Mangum is coauthor, refers to all but items 1, 4, 5, and 7 above as the "most positive contribution of this highly experimental period, . . . [namely] the development of a number of new tools to aid the disadvantaged."[10]

As a transition to the next section it can be noted that 11 of these 12 items can be characterized as dealing with the basic components in the employment process, i. e., supply, demand, and matching. Two or possibly three of them (9 and 10 and, indirectly, 6) are related to increasing demand; two (9 and 12) are related to the matching process; and nine of them or three-fourths of the total (2, 3, 4, 5, 6, 7, 8, 11, and 12) are related to improvement or aiding the supply of labor.

In view of the evidence of the implied mission of the "manpower" services indicated in the foregoing discussion, it is not surprising that those responsible for administering many of the programs should conclude from their experience that the practical *de facto* mission of manpower policy and practice, contemplated by the President, Congress, and the other determiners of that policy, is to improve the employability and find jobs for the disadvantaged among the actual and potential members of the labor force.

In preparation for writing this critique, I sent a letter to 175 administrators of those manpower programs under the care of the Department of Labor, and to the regional and state directors of CAMPS (Cooperative Area Manpower Planning System). The latter are the directors of an arrangement attempting to bring together representatives from eight federal government departments administering a wide variety of programs (around 50) related to manpower policy, in the effort to develop the planning for, and organization of, the several programs in a particular area into an integrated approach. Ninety percent of these 175 administrators replied from all states and territories.

In the letter I set forth the substance of the introduction to this chapter, indicating, among other things, my interest in learning their perception of what *de facto* mission was implied in the functions they had been called upon to perform as administrators of the various "manpower" programs. Their perceptions were nearly identical. They indicated that, although at the start, the manpower mission was unclear and at times confusing, a *de facto* mission evolved in practice: namely, to develop the employability of the most disadvantaged persons in the actual and potential labor force and to find a place for them in the world of work. Ninety-five percent of the respondents made replies which were essentially in such terms. Sixty-nine percent added to this pointed definition of "manpower policy" that the end objective of this mission was to reduce poverty and to lift the level of economic life of those disadvantaged persons and their families; some of them went into considerable detail about the social consequences of poverty which would thus hopefully be minimized. Fifty-four percent added comments indicating the contribution which concern for the plight of the disadvantaged would make to the prevention of unrest and riots by racial minorities and other inhabitants of the central-city ghettos. Twenty-five percent went on to justify the mission as it had developed on such grounds as: "it is an effort to give all citizens an equal chance for self-support through work"; "it is an effort to restore human dignity to those who through no fault of their own have not the opportunity to achieve and experience it"; "it is an attempt to keep the failures of the fathers from being visited on their children"; "it is simply providing those left out or left behind with the same right to work and life and happiness possessed by all citizens"; or "it is the first attempt to make democracy a reality for literally all our citizens."

---

[10] Garth L. Mangum and L. M. Glenn, *Vocational Rehabilitation and Federal Manpower Policy,* Policy Paper in Human Resources and Industrial Relations No. 4, a joint publication of the Institute of Labor and Industrial Relations, The University of Michigan-Wayne State University, with the National Manpower Policy Task Force (Ann Arbor, Michigan: 1967), pp. 2ff.

Emphasis on Supply of Labor

Whether the target group for manpower policy is considered to be the total labor force or chiefly the disadvantaged; and whether the objective of manpower policy is adequate basic economic stability and growth, insofar as that can be promoted by maintaining adequate particularized employment relationships throughout the economy, or is public assistance to the poor and the unsuccessful through efforts to improve their employability and find jobs for them, the basic elements of the labor market process (employment process) are involved. Those elements are (1) sufficient and suitable particularized job opportunities (*demand*), (2) needed and adequate qualifications and motivation for work on the part of people (*supply*), and (3) expeditious and effective methods and mechanisms for bringing particular people and particular jobs together in productive particularized employment relationships (*matching*).

It would appear to be a plausible inference from the above discussion of the present concept of manpower policy that the concern has been predominantly with improving and increasing the adaptability of a portion of the supply and secondarily with matching; and that demand was, on the whole, accepted as given and considered largely unalterable by means of manpower policy and practice.

This is largely, though not completely, the case as far as those programs usually considered to be included in the manpower syndrome are concerned. The words "not completely" are appropriate because the administrators of such programs as Vocational Rehabilitation, Neighborhood Youth Corps, Work Experience, New Careers, Operation Mainstream, Work Incentive, and, to some extent, Vocational Education found the normal employers of labor relatively uninterested in the limited profitability of providing enough experience in work for the clients of these programs. It was therefore necessary for them to give attention to stimulating demand in several ways. One way was to try to persuade employers to lower their demand criteria (hiring standards) or to encourage them by subsidies to provide job openings for the disadvantaged. The MDTA program faced this problem with respect to that portion of its operation known as "on-the-job training." The major effort launched in 1968 to involve businessmen in training and providing jobs for the disadvantaged through the National Alliance of Businessmen (NAB), and to contract with them for subsidized training, was not only an effort to bring the facilities of private industry to bear upon the training of the disadvantaged segment of the labor supply, but to assure jobs for them when training was finished and to add coaching and counseling to the normal conditions of work which constitute an element of the demand for labor.

Lacking sufficient acceptance by private and public employers of the challenge to assume a substantial part of the task of providing job possibilities for the disadvantaged, the agencies were faced with the problem of doing it themselves. This they had to do if they were not to ignore the fact that the development of employability requires experience in employment. In a number of cases they were forced to undertake the creation of jobs not normally present as a substantial ingredient in the labor demand present in the going labor market. The jobs created have involved common labor in public parks, national forests, and to some extent in agriculture; archive work in libraries; subprofessional work in schools, hospitals, public agencies, and recreation projects; and participation in the work of Community Action centers set up under the Economic Opportunity Act. Thus it is estimated that, in 1966, 22 percent of the funds appropriated for federally supported programs considered to be of the "manpower" variety was devoted to job creation. The Nelson-Scheuer and Kennedy-Javits amendments to the Economic Opportunity Act were specifically intended to increase employment opportunities for the disadvantaged in nonprofit agencies, primarily in cities, and in rural beautification efforts. In addition, that portion (6 percent) of the appropriations for specifically labeled "manpower" projects devoted to research, experimentation, and demonstration is expected to chart new paths for increasing job opportunities. There is also a lively debate taking place over whether the government should, in effect, guarantee jobs for all who are able to do work at any level of skill requirement, but particularly for those at the margins of employability, by becoming the "employer of last resort."

There is, therefore, a limited recognition of the necessity for incorporating efforts toward the selective creation of a demand for labor in the present "manpower" policy, at least insofar as effort directed toward the disadvantaged target group for such policy is concerned. But as Frank Cassell, whose observations we have reported above, said: "The program had depended heavily upon stimulating what might be called the input side of the equation; namely, to reach out and bring into the mainstream of American life the many who have been left out or bypassed. In its preoccupation with the supply-of-people side, it has largely overlooked the need to relate the supply side to the demand side."

Not usually considered as manpower programs, but realistically such in any comprehensive meaning of the term "manpower," are the federal projects for area redevelopment, urban renewal, and public works. Substantial funds have been appropriated to implement the Area Redevelopment Act of 1961, the Accelerated Public Works Act of 1962, The Appalachian Regional Development Act of 1965, the Public Works and Economic Development Act of 1965, and the several acts having to do with the model cities, the urban renewal projects, and public housing. While motives other than the provision of employment and striking a balance between labor supply and labor demand are at the root of these acts, they do involve the expanding of job opportunities for American workers.

In the federal budget for 1968, $11 billion was earmarked for such projects now current or contemplated. Moreover, the jobs expected to be provided by such development efforts were not limited to the disadvantaged or even to the unemployed. They represent a labor demand available for the employment of any members of the labor force with requisite skills to do the work. Direct increases in the demand for labor are also implicit in appropriations for added federal, state, and local government services, particularly in the field of education, and in increased appropriations for public buildings and medical facilities. And no consideration of the role of government in developing a demand for labor can ignore the large stimulus to industrial and business activity involved in government "defense" and other procurement contracts.

The conclusion from this evidence cannot be that the federal government has given no attention to measures which directly or indirectly increase the demand for labor. The measures have, however, been carried on as ventures largely independent of manpower policy and practice. Timing, type, locality, and volume decisions have been made without reference to how the results of these decisions would aid the manpower efforts, or how manpower supply efforts might be synchronized with the job opportunities made available, or how the initiation and carrying through of such work-providing projects might be used as compensatory projects to level out anticipated or realized fluctuations in employment. Any effort at synchronization was by informal arrangement among administrators. The large-scale efforts in increasing labor demand were not considered an integral part of the "manpower" program.

If these several "job-creation" efforts were considered to be essential ingredients in the nation's manpower policy and program; if they were synchronized with the efforts devoted to improving the quality of, and amplifying the quantity of, labor supply; if they were timed and directed in such a way that they were coordinated with anticipated and realized fluctuations in employment possibilities; and if they were made a part of a master plan for balancing labor supply and demand and improving the system for bringing the two together, "manpower" policy would have a demand dimension which it now lacks.

That the concept of manpower is, however, considered to apply predominantly to the problems of labor *supply,* is indicated by the frequency with which in discussions of the planning and operation of these large job-producing efforts the words "manpower factors," "manpower components," and "manpower elements" occur. The clear implication is that such factors or elements refer to the supply of labor to do the tasks envisioned by the projects for the economic development of regions or cities. The tasks themselves are something beyond the boundaries of manpower policy. Also indicative of the emphasis on supply is the frequency with which the phrase "manpower *development* policy and program" is employed to characterize this area of government action.

The point I am making, then, is not that there is no concern in the United States about the necessity for developing a demand for labor where the normal employment-providing institutions and mechanisms do not readily provide it for those individuals who are the appropriate objects of a comprehensive manpower program. The point is that this concern is implemented by efforts not considered to be involved in present "manpower" policy, and poorly, if at all, synchronized with so-called "manpower" programs. The result is that the growing concept of what is meant by manpower policy and what is necessary to make it effective is heavily, if not exclusively, colored by emphasis on the *supply* side of the employment equation, and chiefly on the least employable and poverty stricken of that supply, as we have seen. As Garth Mangum has observed, "The heart of the manpower problem is the supply of labor."

That is well and accurately said if reference is to the concept of the "manpower" problem that is implicit in what is being done about it at the present time. It is a statement revealing only a part of the "heart" of the problem if manpower policy is to be a guide to building sound foundations for full, productive, economically rewarding and dependable, individual and national growth-stimulating, and freely chosen employment for all who are working or seeking such employment.

III. Scope of Manpower Policy in Western Europe

The agenda for a conference on manpower policy in the United States or in Western Europe would contain many of the same subjects. There would be agreement that the basic ingredients in the operation of the employment process (supply of labor, demand for labor, and matching of the two) provide a general framework of subjects; that research in these areas and the distribution of information are essential; that manpower policy and practice and policy and practice in other areas of economic and social activities have reciprocal impacts; and that overall and local coordination of the several kinds of endeavor is necessary for effective and efficient operation.

Anyone who has participated in such conferences on both sides of the Atlantic would, however, be aware of some important differences. The concept of the overall objective and mission of manpower policy reveals a difference in content and significance. Emphasis on the several elements in the programs varies. The perceived nature of the manpower problem stimulates a different focus of interest on mechanisms that are client-centered and those which are institution-centered.[11] The very operational meaning of manpower policy reflects these differences.

It should be obvious that variations in the size, complexity, governmental structure, accepted role of government, historical traditions, and basic ideologies characteristic of Western Europe and the United States, respectively, would stimulate some of these differences. Reference is made to them here, therefore, not to suggest a fixed model appropriate for the United States, but to suggest the potential scope and significance of manpower policy which anyone who is concerned about, interested in, and responsible for, its present and future role in the ordering of public affairs may profitably consider.

From the large volume of documentation concerning the nature of manpower policy and practice in Western Europe, I have selected four statements suggesting the mission which that policy and practice can potentially carry out in the economic and social life of a country.

England

The first statement concerns manpower policy and practice in England, and was written by Professor J. R. Crossley, formerly of the London School of Economics and now at Leeds University in England.[12]

---

[11] A dichotomy suggested by Arnold Weber in R. A. Gordon, ed., *Toward a Manpower Policy* (New York: Wiley, 1967), pp. 68f.

[12] Adapted from J. R. Crossley, "Meeting the Needs of Mobility," a paper prepared for the International Conference on Automation, Full Employment and a Balanced Economy (Rome: 1967), sponsored by the American Foundation on Automation and Employment Inc.

British observers of their own labour market scene have only recently begun to notice, with some astonishment, that a revolution in manpower policy has been gathering momentum during the last few years. . . .

The Selective Employment Tax was only the latest in a series of measures which begin to add up to the main components of a comprehensive manpower policy. Other major items . . . include a much expanded programme for the improvement of manpower utilisation in its regional aspect, following the Local Employment Act of 1960 and the Industrial Development Act of 1966, with some new measures currently under discussion; these have mainly been concerned with the geographical location of jobs but there have also been improvements in the arrangements for the transfer of employees between jobs. A far reaching reassessment and reorganisation of training within industry was begun under the Industrial Training Act of 1964 and this is also having repercussions in related fields, notably that of publicly provided training. There has been a series of measures designed to improve the administration of redundancy within industry and to mitigate its effects on the workers concerned; these include the Contracts of Employment Act of 1963, the Redundancy Payments Act of 1965 and the introduction of an earnings-related supplement to employment benefit in the following year. Taken in conjunction with efforts to improve the employment exchange service, these have been the principal landmarks. . . .

Certainly a rise in the status of manpower policy to an equal place alongside the other main areas of social and economic policy is not without need. We live in a job economy where the quality of the employment relationship or the lack of it is by far the most important single influence on the welfare of a working population of more than 25 millions, of whom less than seven per cent are employers and self-employed. . . . In the United Kingdom, as in other countries, the achievement of virtually full employment has revealed some persistent structural imbalances between manpower resources and requirements, which have seemed to set limits to our rate of economic growth and give a strong inflationary bias to the economy at times of high demand, and to have involved too large a cost in terms of the concentration of unemployment in particular categories when overall demand has slackened; the macro-economic instruments for controlling the level of aggregate demand, moreover, have proved to be too indiscriminate in their effects to be of much help towards the structural readjustments which are needed. . . .

But if public manpower and employment policy have clearly needed to move on from the relief services in which they had their origins many years ago, it is not obvious whether they have moved quickly enough, and in the right directions.

Manpower policy in the United Kingdom has evolved in a piecemeal fashion according to current needs and there is no single Ministry with overall responsibility for it, nor is there a guiding doctrine relating the parts to the whole. The Ministry of Labour has the main operational role, through its network of local employment exchanges, but administration and policy making in some particular aspects are located in other Ministries. This is true of the education and utilisation of highly qualified scientific and technological manpower, which is the responsibility of the Department of Education and Science, while the Ministry of Labour retains responsibility for the lower qualified grades, with the unfortunate result that no one in particular is charged with looking after the proper relation between the two kinds of manpower. Another manpower function performed by the education authorities is the vocational counselling and placement of school leavers up to the age of eighteen in those areas (comprising about 75% of schools) where they have chosen to take it over from the Ministry of Labour; this probably makes the latter Ministry's services for *adult* placement and guidance less efficient than they might be, and these are services on which increasing demands are likely to be made in future. In the case of regional manpower policy, the complementary programmes for the allocation of jobs on the one hand and workers on the other are the responsibilities of the Board of Trade and the Ministry of Labour, respectively, while the new Planning Boards and Councils, located in the regions themselves (and with a strong and sometimes competitive interest in the allocation of central government funds for manpower development) send in their reports to the Department of Economic Affairs. [The Ministry of Labour has recently been reorganized to eliminate some of the jurisdictional conflicts. It is now called the Department of Employment and Productivity.]

There has been a complementary pluralism in the development of ideas about manpower policy, and in Britain probably more than in either the U.S.A. or Sweden there is a rather general unwillingness to accept an ultimate sovereignty of "market" as against other kinds of criteria, even then they are expressed (as for example by G. Rehn) in the sophisticated thesis that the natural labour market is full of imperfections so that paradoxically a substantial degree of intervention is needed if it is to live up to the claims made for it by the proponents of *laissez faire*. . . .

A third feature of the intellectual climate of manpower policy discussions in the United Kingdom has been a doubt as to whether it is in the end possible to find a middle way between on the one hand manpower planning involving a real loss of individual freedom and perhaps even leading by its own logic to some form of the direction of labour, and on the other hand the policy of leaving the labour market well alone. . . .

The "Shake out" and the Selective Employment Tax: One of the objects of the sharply deflationary measures introduced on 20 July 1966 was to "shake out" manpower from the places where it was least needed so as to permit, in the Prime Minister's words, "a more purposive use of labour for the sake of increasing exports and giving effect to other national priorities." Mainly what was thought to be needed was a relative growth of employment in the manufacturing sector . . .

Introduced in the 1966 Budget and coming into effect on 5th September 1966, the tax is payable by all employers, and is not refunded to those in the construction industry, the professional and other service industries; a refund is paid to employers in agriculture, forestry and fishing, mining and quarrying, transport and communications and the public sector (including the nationalised industries), and manufacturing employers receive in addition to a refund a small subsidy amounting to rather less than two percent of the wage and salary bill. . . .

In the words of the White Paper "The Selective Employment Tax will have a beneficial longer-term effect by encouraging economy in the use of labour in service and thereby making more labour available for the expansion of manufacturing industry. It is upon this sector that the growth of the economy and its ability to meet competition primarily depend." . . .

Regional Manpower Policy: Long term changes in the industrial structure of manpower demand have had a marked effect on the geographical distribution of unemployment in the United Kingdom, as the regions formerly dependent on declining employment industries like agriculture, coalmining, ship-building and textiles have been able to attract only a small share of the new employment created by such growth industries as electronics, the motor and aircraft industries, and plastics. Government attempts to create more employment in the problem areas have used three main instruments since 1945; first the diversion of new investment projects away from the already congested areas through the system of Industrial Development Certificates, which requires that industrial buildings above a certain size must have the approval of the Board of Trade; secondly there has been substantial investment in industrial building by the Government itself; and thirdly there have been programmes, which have varied over the years, of financial assistance for private investment, including until recently a generous depreciation allowance for taxation purposes. . . .

Much of this assistance is employment-linked, as provided under the Local Employment Acts, and the Act of 1960 also began a trend towards a broader specification of the areas qualifying for help; broader both in terms of geographical extent and the criteria, including growth potential as well as unemployment, which were taken into account. This was reinforced in the 1966 Industrial Development Act. . . . The recent Act also changed the form of the financial assistance for private investment from a depreciation allowance to a direct cash grant of 40 per cent of the expenditure for investment in the Development Areas and 20 per cent elsewhere, (and in December 1966 these were raised to 45 per cent and 25 per cent for expenditure incurred in 1967 and 1968). Unlike the earlier provisions, these new grants are not conditional upon the provision of new employment.

There have also been numerous supporting measures including particularly the location of many of the new Government Training Centres in the Development Areas. . . . The Government felt it worth while in April this year to issue for public discussion a proposed new scheme. . . . This is a proposal to subsidise manufacturing employment in the Development Areas by £1 to £2 per man, to be added on to the net subsidy already received under the Selective Employment Tax and amounting to about five per cent to ten per cent of the wage and salary bill. [This proposal was adopted so that now an employer adding an employee in these areas is given a grant of 37s. 6d. The added employees need not be recruited from among the local unemployed.]

The proposed new scheme, like most of the existing regional manpower programmes, falls in the category of "taking work to the workers" rather than the reverse, and to the extent that the programme is successful, it is likely to reduce the inter-regional mobility of manpower, which is at present thought to be at too high a level, out of some parts of the Development Areas. . . .

But the geographical mobility of manpower has to be provided for in a regional manpower policy. Much of the movement occurs for personal and family reasons or because there is a consumption demand for residence in a certain part of the country, and regional policy has to foresee and adapt itself to these movements which are rather insensitive to changes in economic incentives. . . .

The Ministry of Labour operates three schemes which give limited financial help to workers moving beyond a daily travelling distance from their present home. The most frequently used is the Resettlement Transfer Scheme, under which unemployed workers, or those liable to be involved in early redundancy within six months may get help if they have no early prospect of suitable and regular work near home, and if they have found employment beyond a daily travelling distance, which is approved by the Ministry of Labour. . . .

It is an oversimplification of the problem of better regional manpower utilisation in the United Kingdom to say that the choice lies between industrial relocation on the one hand and more geographical mobility on the other. What is needed is rather a combination of the two, especially in the older industrialised areas where the relocation of housing away from the congested city centres has to be planned in conjunction with the siting of new industrial estates. Transport policies, as well as those for housing and urban renewal, are significantly altering the boundaries of local labour markets. These are changes which can only be planned at the local or regional level itself, and they are now a major concern of the Regional Planning Boards and Councils which were set up in 1965.

Industrial Training and Re-Training: Current enrolments data at educational establishments suggest that the stock of highly qualified manpower will continue to grow rapidly, but the indications are that demand will grow even faster, according to a survey of the needs for additional engineers, technologists and scientists in the period 1965-68. . . . Comparable estimates are not available for the skilled manual work force, but the problem in that sector is probably not one of overall shortage or surplus so much as acute and persistent shortages in particular categories, with some of the traditional craft trades having a considerable surplus. . . .

Beyond the margin of flexibility an increase in the supply to skilled occupations has to be planned some years in advance, through a change in the distribution of new entrants into employment, rather than the mobility of established workers.

This is a principal objective of the Industrial Training Boards set up under the 1964 Act, all of which have given first priority to the development of an appropriate levy and grant system within their industry to provide employers with an immediate incentive to examine and improve their training arrangements. In the case of the engineering industry, for example, the levy has amounted to 2½ per cent of payroll. . . .

Craft and technician apprentices in the engineering industry are being given a more systematic and broader introductory training, provided off the job and without any specialisation by trade during the first nine months, to enable full advantage to be taken later of the wide range of training and experience "modules" from which a choice will be made according to the particular capabilities of the trainee and the needs of the industry. This illustrates a policy of deliberately training for flexibility and adaptability through an education in basic principles, and if it is to be taken up more widely, a much closer co-ordination will be needed between industry and the further education authorities, in providing the appropriate courses. This need not be restricted to apprentices and new entrants, of course, nor is there any general restriction on the activities of the Boards to these groups, and the Iron and Steel Training Board, for example, has published recommendations covering operatives and management, supervisory and clerical workers.

Britain compares favourably with some other countries in the arrangements made for the training and induction of young people into industry. . . . There is much scope for the Training Boards to develop more systematic arrangements for semi-skilled adult training, and we have also tended to lag behind, at least until recently, in the provision for adult training and retraining to the skilled level. A major contribution is now made by the Government Training Centres, of which the numbers have now risen from only 13 in 1963 to a planned total of 42 centres in 1968-69, which will have an annual output approaching 20,000 skilled workers in some 40 different trades. Access to these facilities is not restricted to those without employment and more than half of those now being trained were in fact in employment when they applied. The worker trained in a G.T.C. will normally have to spend some time gaining speed and proficiency with his first employer before he is fully qualified, so the costs of the scheme are in effect shared with the employer, which makes it difficult to assess the cost of the scheme as a whole. . . .

Redundancy Arrangements: Three Acts of Parliament have been passed in recent years with the intention of improving the arrangements made for redundancy in industry and to ease the effects on the workers concerned.

The Contracts of Employment Act 1963 stipulates minimum periods of notice to be given on each side, and requires the employer to give written particulars of the main terms of the employment. . . .

More important for manpower mobility was the Redundancy Payments Act of 1965 which provides for a lump sum compensation to be paid on redundancy to workers with at least two years' service. . . .

The National Insurance Act of 1966 introduced a supplement to the flat-rate weekly unemployment benefit, amounting to approximately one-third of that part of an employee's total weekly earnings which lies between £9 and £30.

The Employment Exchange Service: Financial benefits which encourage mobility and ease redundancy may do little more than add unnecessarily to the total volume of job changes unless they are complemented by an adequate system of job information and placement. The British employment exchange service has adapted itself only slowly from an institution concerned primarily with the administration of benefits under conditions of widespread unemployment, to the flexible and widely informed local manpower agency which is needed under modern conditions of rapid economic change and general manpower shortage. The present customers of the exchanges are mainly unskilled and semi-skilled men making job changes within their local labour market, but these are now a declining proportion of the total labour force. . . . More direct contact with married women re-entering the labour force after several years' absence would help the Ministry of Labour to provide through re-training for a better use of their capacities than at present; there is a similar need for more specialised attention to the re-entry of retired workers into part-time jobs which could add significantly to the participation rates in high employment areas. . . .

A more significant current development is a pilot scheme of occupational guidance for adults, which started in selected areas in March last year and had already begun to develop short waiting lists only six months later. This is a counselling rather than a placement service. . . . The service is intended to provide help to those, among others, who have been made redundant, but it is also available to those who feel under-employed in their present jobs, and 45 per cent of the customers in the first six months were in fact in employment when they were interviewed.

The Netherlands

In 1967 an appraisal was made of the manpower program of The Netherlands by the Organisation for Economic Co-operation and Development. A statement by The Netherlands authorities to the examiners contained this brief account of their conception of the mission and scope of that program.[13]

> The Netherlands has adopted as its manpower goal the fullest productive employment of the nation's human resources in an expanding economy, the basic aim of an active manpower policy as formulated by OECD. . . .
>
> . . . the manpower authorities have to be capable of dealing equally with conditions of labour scarcity and surplus, with deflationary and inflationary forces within the labour market, with trends reinforcing or interfering with the attainment of the desired national industrial pattern and other changes. To achieve these ends the manpower authorities have to be able to give the necessary information and advice to the economic policymakers, assist both management and employees with the manpower problems connected with adjustment to changes, facilitate redeployment in areas of continued labour stringency and provide supplementary employment under conditions of labour surplus.
>
> With the recent economic reversal a new priority has arisen; it is to assist in combating and moderating the adverse effects of the temporary economic setback on the labour market by assisting in the creation of new employment opportunities. These measures will also tend to reduce the fears and resistance of the labour force to economic innovations and measures to achieve greater stability. . . .
>
> [Present legislation] originated partly in the situation of prewar unemployment and in the need for restoration and renovation in our society in the postwar years. Since then it has been possible to transform the policy of combating unemployment more into a policy of preventing unemployment. In addition, the conviction has increasingly grown that policy must be directed towards making suitable provision for those groups of persons whose participation in employment encounters difficulties because of personal qualities or defects. In fact the essence of this interpretation is that the aim of labour market policy is to fit the factor of labour efficiently into the production process and make optimum use of it there.
>
> The manpower authorities have in the past advised the relevant agencies on methods of moderating inflationary pressures in the light of labour

---

[13] OECD, *Manpower and Social Policy in The Netherlands,* 1967, pp. 15-17, 19, and 238.

market conditions. Further development of this function is essential. The manpower authorities from their special knowledge can provide information on inflationary pressures in the labour market and on the likely effect of proposals in the economic field on the labour market, and can offer advice in these areas.

Sweden

The examiners' report in the OECD case was prepared by Bertil Olsson, Director General of the Royal Labour Market Board in Sweden, and Solomon Barkin, the Deputy Director of Manpower and Social Affairs at OECD. Their outline of the areas for examination reflects the concept of the mission and tasks of manpower policy held in Sweden and to a large extent by the OECD.[14]

> An active manpower policy is a set or system of national policies specifically designed to enable the fullest *employment* of human resources within a free society — i.e. their maximum contribution to economic growth, stability and improvement of living standards — given the goals and objectives of that society.
>
> . . . manpower policy is concerned with the quantitative and qualitative aspects of both labour demand and labour supply.
>
> Another characteristic of an active manpower policy is that it is not a policy for a limited number of special groups. On the contrary, it applies to all human resources, all groups of people, and all kinds of employers.
>
> Manpower policies can be "active" in two senses. Firstly, with regard to administration: this implies that the manpower administrators are responsible for proposing policies and anticipating developments, rather than merely awaiting the development of programmes devised by other groups and acting accordingly. Secondly, with regard to substance: this implies that the policies encourage appropriate economic structural changes rather than perpetuate a status quo. An active manpower policy provides opportunities for the adaptation and protection of human resources in the course of economic change which the policy itself might encourage; whereas manpower policies in the past, at best, tended to provide protection and adaptation once the change had occurred. . . .
>
> The realization of the active manpower policy necessitates consideration of many different aspects of the employment of human resources. These include the recruitment, the development, the allocation, and the productive utilisation of the labour force. In a world of rapid economic change there is seldom a smooth adjustment of people to the changing geographical and occupational patterns of employment. This gives rise, among others,

---

[14] *Ibid.*, pp. 239-40 and 246-254. This is an adaptation. Summary statements are enclosed in brackets.

to the problems of income maintenance for members of the labour force during periods of preparation for new occupations, or transfers or interruptions in employment. To achieve co-operation in the productive effort, individuals have to share in the benefits of growth and need to be assured that, during periods of change and adjustment, services and support will be available.

It is therefore quite apparent that those responsible for the formulation of an active manpower policy will have to consider various aspects of the operation of the labour market both currently and prospectively. For purposes of analysis these have been organised into five areas, namely, quantity of labour supply; quality of labour supply; quantity and quality of labour demand; labour market organisation; and economic and social protection.

The first area, *quantity of labour supply,* is concerned with the recruitment and assurance "of the availability of the manpower required." [Mobilisation of labour from groups with low labour force participation, from those with marginal employability, and the underemployed; recruitment and employment of foreign labour; movement and training of workers from agriculture.]

The second area, *quality of the labour supply,* focuses on the "development, to its highest functional, productive, and especially, adaptive potential, of the manpower resources." [Stimulus to general education; vocational education; financial assistance to students; apprenticeship training; training and retraining of adults; financial assistance on behalf of trainees; aid to those training for middle and highly technical and professional careers; rehabilitation for the handicapped; social development and adjustment.]

The third area relates to *quantity and quality of labour demand.* This goal area has two aspects — demand when there is slack in the labour market and demand when the labour market is tight. The objective in the first case may be defined as "the stimulation, support and amplification of employment opportunities at specific times and in specific areas where these are, or threaten to be, insufficient to employ available manpower." [Assistance in formulating annual, medium, and long-term economic plans and policy; stimulus and support for industrial development of communities and regions; encouragement of investment in particular industries and at particular times and places through release of investment reserves; public or emergency works; allocation of government contracts; counter seasonal programmes; sheltered workshops; advance notice by employers of force reductions and additions.]

In the case of a tight labour market, the objective may be defined as the promotion of the expansion of high-productivity employments and the selective contraction of low-productivity employments, encouraging expansion in areas with labour reserves, and stabilisation of employment in

> seasonal and casual labour markets. Economic policies may dampen the demand for labour in one sector and expand it in another, to assist the labour market to perform its role as an allocator of human resources.
>
> The fourth area relates to *labour market organisation* for the effective allocation of human resources. These labour market facilities and services seek to guide manpower when and where it is needed, to offer services which will enhance the workers' and the employers' ability to choose freely their work or employees respectively, and to assure the most productive placement and utilisation of manpower — both in terms of workers' well-being and that of the total economy — by encouraging movement from low to higher productivity employments. [Allocation, movement, and placement of available workers; vocational counselling and guidance; occupational testing; financial aid to movement; housing related to movement; advice to enterprises on manpower programmes; decasualization of labour markets; continuous surveillance of current and anticipated changes in demand for and supply of labour; research on basic problems; distribution of information concerning labour market conditions and trends.]
>
> The fifth area, *economic and social protection,* calls for economic and social maintenance and assistance during periods of unemployment or retraining and, at all times, sickness and welfare benefits for members of the labour force. The benefits paid by these social security and welfare programmes constitute essential supports for the operation of an active manpower policy. [Unemployment benefits; sickness, invalidity, and accident benefits; public assistance benefits; medical care; social services.]
>
> The Examiners further declare that their conception of an active manpower policy is one whereby the Manpower Authorities take an active concern in the manpower aspects of other policies [e.g., economic policy, educational policy, social policy, and industrial relations policy] and also the effects of these other policies on manpower.

Reporting directly on Swedish labor market policy, its mission, and implementing mechanisms, Bertil Olsson said:[15]

> Why do we need an active labor-market policy today? Up to now we have mainly explained the need for such a policy from the economic point of view. We also want to consider labor market policy in a broader context as one of the tools of national economic policy. It contributes to creating full employment without jeopardizing the balance of the economy and the labor market. There is a risk in using only the general economic-political means — credit, money, and fiscal policy. This may cause a high demand for goods and services and consequently an excess demand for man-

---

[15] In Gordon (see footnote 11), pp. 251-270; amplified by reference to *Sweden Now,* June 1968, p. 23. Sweden has retained the term "labour market" for the area of policy more widely labeled "manpower."

power, and this in its turn can result in continuous inflation. On the other hand, a more restrictive general economic policy with lower employment goals may cause unemployment. This cannot be accepted in a society which aims at full employment. If, however, selective labor-market policy means are used, we can avoid unemployment, while preserving economic balance.

Significant for a modern labor-market policy is that it can use *many different means.* These have to be selected in such a way as to influence the individual or groups of individuals without influencing the rest of the labor market (which the general means have a tendency to do). The means, or methods, have to be administered through an *organization,* which is widely spread all over the country, so that they reach all employees and employers. Furthermore, this organization has to act very fast, because imbalance on the labor market appears quickly, and the aim of labor-market policy is continuously to restore the balance. To summarize, the three characteristic features for an active and selective labor-market policy are as follows. The many different means have to be used selectively and not for the whole labor market. The organization has to *cover the whole country* — unemployment areas as well as inflation centers. *A fast way of acting* is necessary (within days or a few weeks), because the effect of the general economic-political means operates too slowly (sometimes requiring months or years).

Accordingly we want to consider labor-market policy as one of the components of economic policy. It can influence the margin of the total labor force, perhaps 2 to 3 per cent. Together with the other economic means it acts to achieve full employment and rapid growth under conditions of overall economic balance.

However, it is not only economic-political motives which justify an active labor-market policy and an active employment service. We also want to make the employment service an outstanding service organ. . . . Although this makes the labor market more complex and more difficult to survey, it also provides more and better possibilities for the individual than ever. The increased opportunities for the individual to choose between different jobs means that he now requires a better labor-market service. Both employers and employees call for better service. Educational and vocational-guidance questions become more and more related to the labor market. The problems of vocational training of adults and their adaptability on the labor market become more important.

There are different ways to obtain more effective service. A great deal of service can of course be provided by private institutions. This takes place partly through consultative activity on the labor market, which is gaining ground. It is also conceivable that the different kinds of labor-market services could be administered by some other public institution, leaving the employment service responsible only for the "mechanical exchange service." But the most natural development seems to be for the public employment service to become responsible for the new labor-market policy.

One of the main reasons for this is that the "mechanical exchange service" is after all the most important and decisive factor — the service organ which brings the applicant into contact with the opportunity to work. . . . Moreover, if the same institution which administers labor-market policy also provides the service, it is the most convenient solution and the one which is most likely to prevent conflicting and ineffective administration. In addition, this solution offers the best guarantees that the social-political interests of labor-market policy (the interests of the individual) can be combined with the more general economic-political interests. In other words, macroeconomic and microeconomic considerations can be reconciled more effectively if they are handled by the same agency.

The means and measures for the implementation of labor-market policy are many and various. They have to suit the different individuals on the labor market, and they have to be used selectively.

The following means and measures are at the disposal of labor-market policy in Sweden:

I. Measures to stimulate geographical mobility. Procedures for moving labor surpluses to localities where work is available.

II. Measures to stimulate vocational mobility. Helping the worker adapt to changing demands through retraining and other measures.

III. Measures to influence the location of industries. Encouraging enterprises to locate in areas where labor supply is greatest.

IV. Measures to encourage the employment of the handicapped. Rehabilitation activity.

V. Measures to create new opportunities to work, during seasonal and economic fluctuations and within special regions, including requesting the government to release company investment funds and provide assistance for new business starts.

VI. Measures to suppress a too high demand for manpower, including control of housing construction and other public works.

VII. Measures to give information, including vocational guidance and advice.

The strength of labor-market-policy measures depends in most cases on their being used at the proper time. The chances for this are greater if the tools are being used by the Employment Service officers, because they meet the people for whom the measures are intended. Labor-market-policy initiative and labor-market-policy measures are geared to the needs of the employers and applicants.

The carrying out of this labor-market policy must undoubtedly cost quite a lot. In Sweden, where the measures of labor-market policy have been used more extensively than in most other countries, we spend about 1 billion Sw. Kr. a year on it (about $200 million for a population of 7 million). This is 3 to 4 per cent of the state budget and close to 1 per cent of the national income. The approximate costs for the different kinds of activities are as follows (in per cent):

Administration (personnel and offices, etc.)	10
Geographical mobility	5
Vocational mobility	20
Location measures	15
Rehabilitation measures	20
Measures to influence the demand for manpower	25
Other, including information, foreign labor, etc.	5

IV. Emphases in Western Europe and in the United States Compared

As indicated at the beginning of Chapter III, the agenda for a discussion and evaluation of manpower policy in Western Europe or in the United States would include most of the same topics. But it is clear that differences exist in the concepts of mission, operational field, and appropriate methods of manpower policy and practice. These differences are revealed by the emphases placed on certain objectives, focuses of effort, and mechanisms and methods. The comparisons do not imply that the predominant emphasis in Europe is absent from the policy and program in the United States, or vice versa; it is a matter of relative emphasis. Also, as we shall indicate in the next chapter, in both the United States and Western Europe the current differing emphases have evolved from quite similar historical interests and approaches.

The most significant of these comparisons of emphases with respect to the concepts of mission, operational field, and appropriate methods are set forth in the following tabulations.

Missions of Manpower Policy

In Western Europe	*In the United States*
1. To stabilize and expand *employment* and to make it more productive.	1. To deal remedially with *unemployment.*
2. To *anticipate and prevent* unemployment-producing developments in the supply and demand factors and in the matching process in the labor market.	2. To *alleviate* for individuals the consequences of unemployment.
3. To improve the economic strength, stability, and growth of the nation, and particularly the employment process, assuming that economic and social benefits to workers will follow.	3. To improve the economic and social welfare of workers through increasing their employability, assuming that some other agencies will take care of the economic health of the country.
4. To promote full employment through economic balance and growth with as much price stability as possible; to counteract,	4. To promote the employment of marginal members of the work force through client services.

In Western Europe (continued)	*In the United States (continued)*
through selective manpower measures, the inflationary consequences of aggregate demand-expanding policies and the employment effects of deflationary policies.	
5. To satisfy simultaneously the nation's and the employers' productive needs and the workers' personal needs for employability and employment.	5. To satisfy predominantly the workers' personal needs for employability and employment.
6. To stimulate and guide mobility of labor as part of a plan for achieving national economic balance and growth.	6. To stimulate and guide mobility of labor chiefly in response to employer requests for labor.
7. To direct labor toward, and train it for, current and future employment opportunities in the growth-potential geographical, industrial, and occupational areas.	7. To direct labor toward, and train it for, any current or prospective available openings.
8. To stimulate and create a particularized demand for labor by efforts parallel and equal to the efforts to develop the labor supply and to match it with demand.	8. To develop, and make more employable, a portion of the supply of labor, and to match it with the available demand.
9. To develop and create a particularized demand for labor not only for the sake of finding employment for the unemployed, but for stimulating balanced economic growth beneficial alike to the employed and unemployed.	9. To develop and create a particularized demand for labor primarily for the benefit of the most disadvantaged among the unemployed.
10. To conduct research and distribute information geared primarily to practical operating problems.	10. To conduct operational research and distribute resulting information, supplemented by basic research on factors relevant to the

In Western Europe (continued)	*In the United States (continued)*
	quantity and quality of supply and demand for labor and the mechanisms for matching the two.
11. To participate and collaborate decisively with other policies for, and instruments of, overall economic stability and growth.	11. To provide independently operated manpower development programs, hopefully contributing to economic stability and growth, and to stand ready to advise other economic and social agencies (public and private) when invited to do so.
12. To provide the public and governmental policymakers with periodic reports of labor market conditions, trends, and problems and an assessment of the adequacy of measures to deal with these.	12. To provide the public and governmental policymakers with periodic reports of labor market conditions, trends, and problems and an assessment of the adequacy of measures to deal with these.

Operational Field and Clientele of Manpower Policy

In Western Europe	*In the United States*
1. The international, national, regional, and local labor markets.	1. Predominantly local or regional labor markets.
2. Aggregative and overall as well as localized, structural, seasonal, and cyclical imbalances in the labor market.	2. Structural and localized imbalances in the labor market.
3. The comprehensive mechanisms for balancing and matching supply and demand in the labor market and for improving the quantity and quality of both supply and demand.	3. The gaps in mechanisms for improving the quantity and quality of the supply of labor, particularly the hard to employ, and for matching supply with demand, left by existing private and public efforts.

In Western Europe (continued)	*In the United States (continued)*
4. Marginal members of, or potential additions to, the labor force in all occupations.	4. Primarily the unemployed disadvantaged among the marginal members of the labor force in the low-skill occupations.
5. All members of the labor force desiring services, including the employed.	5. Primarily the disadvantaged unemployed and underemployed, with resistance to including the employed.

Appropriate Methods of Manpower Policy and Practice

In Western Europe	*In the United States*
1. Centralized policy, decisionmaking, and administration.	1. Both centralized and decentralized policy, decisionmaking, and administration.
2. Direct operation of services by the national government or delegation under national control and supervision.	2. Primary function of federal government to provide financial support for decentralized operation under federal guidelines.
3. Manpower policy and practice geared to and instrumental to short- and long-range national economic planning, and responsive to political pressures.	3. Manpower policy and practice without reference to a national plan and in response to immediately perceived problems and experienced political pressures.
4. Willingness to institute some manpower measures *requiring* from employers and workers action in conformity with stated policy.	4. Predisposition to avoid manpower measures *requiring* from employers and workers action conforming with stated policy.
5. A major reliance on government-initiated and -controlled efforts.	5. Cooperative relation of government agencies with each other and with private institutions supplementing their efforts.
6. Reliance on professional officials for administration.	6. Reliance on professional officials for administration with experimentation in client participation.

In Western Europe (continued)	*In the United States (continued)*
7. Large degree of initiative and discretion granted administrators to act under very general legislative mandate.	7. High degree of specificity in the action expected, permitted, and set forth in legislative mandates.
8. Direct involvement of labor and employer representatives in directing operations.	8. Indirect involvement of labor and employer representatives in an advisory capacity and some experimentation in delegating to them the operation of specific parts of the programs.
9. Movement of both workers and employers encouraged and directed by means of incentives, substantial economic aid, and subsidies.	9. Some experimentation in providing economic aid and subsidies to encourage movement chiefly of unemployed workers.
10. Provision of housing and transportation facilities to synchronize with and support manpower efforts.	10. Housing and transportation planned and administered as projects independent of manpower efforts.
11. Primary attention to strengthening institutions and mechanisms that directly or indirectly improve the quality and quantity of the labor supply and demand and their matching, benefiting workers generally.	11. Primary attention to meeting the needs of unemployed workers as individuals, with improvement in institutions and mechanisms as a result of the needs disclosed by experience.

As I have indicated above, the predominant emphases characteristic of the concepts of manpower mission, operational field, and appropriate methods found in Western Europe are not completely absent from the *de facto* concepts of these matters implicit in the actual manpower activities in the United States, and vice versa. This is understandable, especially with respect to the concepts of mission and operational field, for these are heavily influenced by a large number of elements in traditions and culture which Europeans and Americans have in common. Any modification or amplification of the guiding concepts held in either Europe or America suggested by the concepts on the other side of the Atlantic would not be the result of adding completely new elements, but of altering emphases and priorities. It is not inappropriate to suggest, therefore, to those responsible for shaping manpower policy in either the United States or Western Europe that they should consider whether adequate attention has been given to the emphases given highest priority in the policies and practices in the other area. It is possible that the evolving concepts of manpower mission and operational field, which give direction to modifications in legislative mandates in the United States, can profit from considering whether the programs initiated here adequately satisfy the requirements revealed by the experience of western European countries, and vice versa.

Summary

The specific differences set forth above may, of course, be stimuli to a consideration of alternative ways of accomplishing what we are trying to accomplish through manpower policy and practice. The differences in methods are in many respects responses to differences in size, nature, and complexity of problems and conditions; governmental structure and consensus on its role in human affairs; and traditions. They need not be summarized further. In the case of the differences in concepts of mission and operational field, however, there are certain themes which run through the respective emphases and bring those differences into sharper focus. The themes are as follows:

Mission

in **Europe,** to achieve *economic* stability and growth;
in the **United States,** to improve *social welfare;*

in **Europe,** to reduce undesirable economic and social consequences of aggregate demand management by selective application of manpower measures to particular geographical, industrial, and labor force sectors;
in the **United States,** to reduce handicaps to employment and adequate income suffered by certain labor force groups;

in **Europe,** to *prevent* unemployment;
in the **United States,** to *alleviate* the human consequences of unemployment;

in **Europe,** to balance the *supply of and demand for* labor by concurrent and related action with respect to factors that determine both, and their interaction;
in the **United States,** to increase the quality of the individual workers constituting the *supply* of labor and to place them in jobs;

in **Europe,** to provide increased economic opportunities and security for *all workers,* employed and unemployed;
in the **United States,** to increase economic opportunity and security for the *disadvantaged unemployed;*

in **Europe,** to *participate decisively* and authoritatively in the formulation and implementation of general economic policies and measures;
in the **United States,** to *advise* the economic policy authorities on request.

Operational Field and Clientele

in **Europe,** the *international* and *national* as well as the local and regional labor market;
in the **United States,** the *local* and *regional* labor market primarily;

in **Europe,** the institutions and mechanisms contributing to employability and employment of workers *(institution-oriented);*
in the **United States,** the individual workers in the nation *(client-oriented);*

in **Europe,** the workers in *all occupations, employed and unemployed;*
in the **United States,** the *disadvantaged among the unemployed.*

In the two succeeding chapters I shall consider how these differences came about historically and the consequences of the emphases which characterize manpower policy and practice in the United States. In the concluding chapter I shall suggest a concept of the mission and operational field for an employment policy which could strike a balance among the emphases set forth above in a way which I believe provides a firm foundation for a progressively more effective contribution of government to the manpower policy objectives sought in both Europe and the United States.

V. How Did We Get That Way?

The governments of Western Europe and the United States have been in the "manpower business" for many years. The particular post-World War II policies and practices which have been given the manpower label, the administration of which has been allocated to manpower administrations, labor market boards, departments of employment, etc., have their roots in functions and responsibilities of governments as old as government itself. Those functions and responsibilities are a pragmatic, not an ideological, response to the facts that the viability of government itself is based on the economic health of the nation and its people, and that productive employment is the essential process which transforms the natural, technological, and human resources of a country into the wealth of the nation and the human well-being of its citizens. Those functions and responsibilities are, moreover, a response to the fact that the combined private and public efforts to create and maintain productive employment were periodically inadequate to provide all citizens with a foundation for a satisfactory livelihood. Governors could ignore that fact only at the peril of losing their status as governors.

Since the industrial revolution in both Western Europe and the United States, however, the inadequacy of these efforts was considered to be an unusual, if inevitable, situation, faced by a relatively small and politically weak group, temporarily unable to turn the opportunities of a free market into a satisfactory personal livelihood. A free market for entrepreneurs and investors, a free market for the sale of products and services, a free market for labor, and free movement for workers were counted on to provide the chief mechanisms whose operations would add to the wealth of nations and would provide the great majority of citizens with employment and hence with a tolerable living.

Governments engaged in many efforts which affected the aggregative factors of supply and demand in the labor market, that is, the environment of employment. But the creation of particularized jobs and the development of individual workers, and the mechanisms for bringing them together in particularized employment were left pretty largely to private initiative and effort.

Governments concerned themselves, however, with general and widely applicable mechanisms facilitating both the general supply of and the general demand for workers. *Immigration* measures, *public health*, and *free public education* (both basic and in preparation for work and careers, and at all levels of skill and knowledge) facilitated the *supply* of an aggregate of able-bodied, literate, socialized citizens potentially capable of becoming productive workers. While some government effort was devoted to the provision of developing specific workers for specific occupations, particularly in the highly technical and professional areas, and some experiments in training were launched for the disadvantaged, the great bulk of training of individual workers for specific jobs was left to private apprenticeship and on-the-job training arrangements.

The same emphasis on environmental factors characterized government effort in the development of the *demand* for labor. Governments encouraged an aggregate demand by general measures protecting inventions, by tariff practices, by stabilization and development of central banking facilities, and on occasion by encouragement of industrial development through various forms of subsidies. In later years, particularly after the traumatic experience of the thirties, governments undertook to stimulate *make work* and to regulate the *location of industry* in ways which would equalize the demand for labor in general among several regions of their countries. But again the translation of a general and aggregative demand for labor into particularized job opportunities was left largely to private initiative except in periods of severe unemployment and where distress was obvious.

The *bringing of particularized workers* and *particularized jobs together* was also left largely to the private efforts of workers and employers — although in all countries a system of employment exchanges was made available to those for whom traditional and going methods did not prove adequate.

What all this prewar effort of governments added up to was an emphasis on (1) those *general aggregative measures* to provide a supply of healthy, educated, and socialized citizens capable of productive work, (2) *general aggregative measures* to *encourage and regulate industrial* activity producing an aggregate demand for labor, and (3) a *public employment service* to supplement private efforts in bringing that supply and demand into balance expeditiously.

But the creation of *particularized demand* (in the form of specific jobs), of *particularized supply* (in the form of individual workers equipped to do those specific jobs), and of the methods and facilities for bringing the two together in *particularized employment* was not primarily the responsibility of government.

But what if these measures, private and public, were inadequate, as frequently happened? At this point the concern of governments with the general environment of employment necessarily had to be supplemented by activity which focused on the plight of particular individuals who had failed to prosper in that environment. Up to World War II, the United States and the countries of Western Europe had concentrated in pretty much the same way on the kinds of activities most of which have since then been labeled "manpower."

Moreover, the stimulus to such activity was pretty much the same, a *concern for the plight of the unemployed,* or for those whose employment and earning power were interrupted by various hazards, or whose earnings from employment were insufficient to keep them out of poverty.

The general thrust of these activities was to meet a *residual moral obligation* of governments to help those citizens who because of various unfortunate personal, social, and economic difficulties had not been able temporarily to manage for themselves. But it was assumed that the great majority of citizens didn't need any such help, and that the economic strength and growth of a country, as well as the economic well-being of its people, would result from the free initiative and labors of that great majority in free markets.

With an ineffective dissent from the economists who insisted on the utility of monetary and fiscal measures providing compensatory stimulus to or restraint on cyclical fluctuations in aggregate demand, and from those who proposed compensatory public works and various incentives to employers to "regularize" seasonal unemployment, the task of governments was visualized as one of relieving the economic misfortune of those who become victims of the inevitable irregularities in the demand for labor.

For many generations, charity and the Poor Law relief policy gave meaning and direction to such government effort on behalf of those who had not been able to support themselves. It focused on the total range of inadequacies of people which caused their distress and poverty. A new meaning of, and direction to, that effort was given by social insurance and social security policy. That policy aimed to provide a floor of minimum economic security for individuals facing the hazards of unemployment, old age, accident, and illness; that is, the hazards that robbed men of the ability to support themselves by employment. It included the provision of a minimum income maintenance as a right for limited periods and of assistance in the restoration, where possible, of the individual to the status of a self-supporting wage earner. The worker established that right by his previous productive employment. Thus, while social insurance did not eliminate a wide range of personal services for those who for some reason fell through that protective net, it did reduce the necessity for the direct involvement of government agencies in the personal affairs of citizens by decreasing the numbers who were unable to solve their own problems of economic security. The locus of operations became less the homes of the poor and more the offices of the public social insurance agencies.

With the coming of mass unemployment in the thirties, experiments, on a rather limited scale, were launched in the training and transfer of the relatively long-term unemployed. To these measures concerned with the *supply* of labor were added at least three experiments concerned with amplifying the *demand* for the labor of the disadvantaged: an expansion of the public works programs, relief works for the able-bodied poor, and the encouragement and subsidization of the movement of industry to regions where there were large numbers of unemployed.

Moreover, in all countries there developed a system of employment exchanges to expedite the bringing of unemployed men and vacant jobs together. But these very quickly became primarily adjuncts of the unemployment insurance systems. Moreover, the demand for labor was taken as given and as placing restraints on what could be done for the human units of labor supply for whom the more normal and traditional ways of finding jobs had proved inadequate. A special concern of the employment services in the thirties was the transference of unemployed from the depressed areas.

As far as labor market resources of supply and demand and labor market mechanisms are concerned, it was the responsibility of government to "pick up the pieces" and fill the gaps, particularly when evidence of the need for this took the form of substantial numbers of needy and politically vocal unemployed. The governments in Western Europe and the United States had actual, albeit unnamed, "manpower" policies to deal remedially with these problems which were substantially the same on both sides of the Atlantic. And the remedial efforts to implement those policies, all of which are now considered to be "manpower" or "labor market" measures, were substantially the same.

The parting of the ways came after World War II. In Western Europe, as we have seen, there occurred a modification in emphasis and objective in the direction of positive and preventive measures, and the target population was enlarged beyond the disadvantaged unemployed.

In the United States, after a brief start toward a full employment objective and the development of positive labor market activities to support it, we continued on the remedial road characterizing our traditional approach, albeit with an emphasis on remedies focused on the most fundamental cause of human distress in a working world — the lack of employability.

What accounted for the developments giving differential *de facto* meanings to the concept of manpower policy in Western Europe and in the United States?

Postwar Development of European Manpower Approaches

World War II made clearer the importance of (1) *central planning* and implementation, including the planned *allocation of labor,* (2) the need for *training* which fitted the capabilities of particular workers to the demands of particular essential war production jobs, and (3) the necessity for the creation and modification of *job demands* to fit the available supply and movement of workers to achieve a definite national purpose. That government action in the manpower field was necessary and effective for a total national economic effort in wartime was clear.

More important, however, was the widespread acceptance after the war of an obligation by governments to prevent the need for assistance to the unemployed by providing the mechanisms favorable to something called "full employment." The operational definition of full employment was vague, but the intent was clear and logical. Since the economic welfare and security of citizens depend on their employment, the way to further that welfare and security is to assure employment itself, thereby reducing the need for the support of individuals during gaps in, or total lack of, employment.

The idea of *full employment* came into its own as the most *rational* and basic *responsibility of government* toward those whose productive work, actual or potential, was the foundation for the economic health of the nation and its citizens. The conviction increased that it was *far more basic* than just picking up the pieces and filling in the gaps in employment left by the operation of traditionally trusted free market mechanisms, and providing relief to those who were hurt in the process.

But making good on the commitment to full employment forced attention on the management of the economy as well as on the relief of individuals. And the mechanisms for that management brought new problems to the fore. *How to live with full employment* became a serious and absorbing question. A part of the answer was supplied by the old "manpower" measures. But these were primarily remedial, not designed to promote the positive labor market conditions making the remedies less necessary.

Concentration on achieving full employment suggested the causal connection of national economic stability and growth with such an achievement. Moreover, it was evident to economists trained in post-World War I economics that monetary and fiscal policies were available for dealing with the stimulation of aggregate demand basic to both economic growth and the creation of a continuous aggregate of opportunities to work equal to the aggregate numbers able and willing to work.

It was at this point that the concept of manpower policy and program in the United States and in Western Europe, at least on the continent, *began to develop in different directions.* Policymakers in the United States were less inclined than those in Europe to put their trust in macroeconomic measures.

In Western Europe the concept of manpower (or rather labor market) policy and program developed, in one of its aspects at least, *as a necessity for making effective the process of economic stability and growth* (including the significant role played by international trade), for achieving full employment, and *for containing the inflationary impact* of fiscal and monetary practices used for that purpose. The concept of the mission and scope and boundaries of manpower policy evolved from the positive role that it was actually called upon to play in the process of sustaining national economic stability and growth without overstimulating inflation. Given the emphasis on government promotion of full employment and the economic stability and growth essential to that goal, and given the use of monetary and fiscal instruments as a means to that end, then:

1. A major problem was how to avoid *inflationary consequences* of general application to all sectors of those blunt instruments of monetary and fiscal measures. Such instruments acted as a stimulus or restraint on all sectors of the economy, those which were already active and overheated as well as those which were weak or declining. The answer was *selective* stimulus or retardation both in job creation and in provision of qualified supply of labor where slowness or overheating respectively appeared probable. A positive corrective supplement to the implementation of fiscal and monetary policies was called for, and the answer was *selectively applied* manpower or labor market measures.

2. Associated with this problem, but also directed toward the achievement of economic stability and growth in itself, was the need *to avoid shortages of and bottlenecks in* the supply of labor. Economic stability and growth were hampered (and inflationary tendencies were amplified) by quantitative and qualitative shortages, both current and anticipated, in: (a) the most active sectors, (b) the probably expanding sectors, (c) the export industries, (d) the industries in which technological change was outmoding the traditional occupational qualifications, (e) key skilled occupations essential to the employment of larger numbers of workers, (f) managerial occupations, and (g) highly technical and professional occupations employed in research and development as well as in productive operations.

   The response to this problem was a major extension of government-sponsored-and-operated training centers and other training measures planned to reduce these hampering shortages and bottlenecks.

3. When in some countries the normal sources of labor supply approached exhaustion, economic stability and growth also required attention to *amplification of that supply.* This was done through immigration and by measures to encourage the entrance of marginal or current nonlabor force groups into the labor market.

4. A fourth necessity imposed by a concern for economic stability and growth was the *avoidance of wastage of, and the maximum utilization of,* available manpower. That wastage, it was thought, could be reduced by:

   a. The anticipation of redundancy in declining industries, and the training of probable redundant workers for, and their transfer to, productive work elsewhere.

   b. The anticipation of seasonal weaknesses in demand for labor, and the stimulation or provision of a temporary demand in the off season.

   c. The encouragement of movement of industries to areas with a labor surplus and the development of worker skills needed by those industries.

   d. The reduction of time spent in nonproductive unemployment by means of labor market services which could speed up and give informed direction to the reemployment process.

   e. The reduction of obstacles to free choice by, and movement of, workers through better and more available information on labor market conditions and trends, the correction of their inadequate preparation for available work, and the meeting of transfer and transition costs — all these through improved and more expeditious employment service activity.

   f. The retreading of adult workers whose skills and knowledge were becoming, or were threatening to become, obsolete.

   g. The counseling and direction of workers, and particularly youthful entrants, concerning the employment road most likely to make continuing full use of their capacities.

   h. Assistance both through placement and training procedures in locating workers in jobs in which they could be maximally productive.

   i. The direction of prevocational, vocational, and apprenticeship training to core fundamentals of knowledge and skill, increasing the adaptability of workers to probable future changes in occupational structure.

   j. The provision of rehabilitation and productive work for those handicapped or for other reasons on the margins of employability, hopefully offering preparation for productive employment in the mainstream of economic enterprise, but in any case providing them with the opportunity to contribute to the extent of their capabilities to the national product.

   k. Technical [illegible]ce to employers in the most efficient and productive utilization of [illegible]power.

5. A fifth requirement was to increase the access to higher education and technical and professional training in order that the scientific base and leadership for economic development might be adequate.

6. A sixth requirement was the extension and speeding up of statistical information to lay the basis for immediate decisionmaking, and for prognosis of future labor market trends and labor force requirements as a basis for planning.

7. Finally, there were required attempts at overall synchronization and coordination of manpower and the other economic stability and growth policies and measures, through agencies for overall planning and oversight of the total effort.

To the impact of these requirements and problems were added an enthusiasm for planning and the predisposition to substitute centrally planned measures for those initiated simply to further the local and specific interests of those from whom the initiation and carrying through of activity relative to labor supply, demand, and matching had previously been expected.

One rationalization of this resort to economic planning is of special interest to Americans still confident that a free market economy is preferable to a centrally planned and regulated economy. Planning was urged on the grounds that it would make more possible "freely chosen" employment. Indeed one "philosopher" of an active labor market policy, recognizing that planning was involved, nevertheless asserted that it was a form of planning "where the plan aims at realizing what the free market, according to its pretensions, should, but in practice cannot, realize."[16] Basically the idea here is that free choice is established not merely by the absence of regulated movement of labor but by the removal of obstacles to free choice, such as inadequate knowledge of the labor market, inadequate skills, inadequate access to means for finding and acquiring jobs, inadequate economic resources to move to where work is available, and the discouragement and atrophy of skills that come with long unemployment.

Whether planning is limited to this "removal of obstacles" form (a limitation not fully achieved even in Sweden), or whether it takes the form more commonly associated with planning (goal-forecast-plan for manipulation of material, monetary, fiscal, and human resources), the ideology of full employment contained a heavy component of centralized planning. When planning embraced the measures essential to national economic growth, balance, and stability, the manpower elements inevitably assumed an important place. An important ingredient in shifting the emphasis in the manpower policies in Western Europe from *relief* of the unemployed to *prevention* of unemployment by building a more solid foundation for *employment* was the pervasiveness of the idea that economic planning was an appropriate function of government.

Once thinking and action were zeroed in on the problem as chiefly an economic one in the attempt to amplify and balance employment, several utilities of a selective and positive approach to the problem suggested themselves.

1. In case it might be necessary generally to dampen an overheated economy, such a move would place particular hardships on specific industrial sectors and their workers. Such hardships could be alleviated by selective measures without destroying the efficacy of the general deflationary effort.
2. These selective measures might be utilized to prepare workers *temporarily* disadvantaged (by seasonal or cyclical downswings and slowing down of economic activity) for more productive employment when activity in-

---

[16] Gösta Rehn, med Tage Erlander, *Arbetsmarknadpolitik som samhällside i Femton år* (Stockholm: 1961), p. 80.

creases in the upswing period. In other words, the temporarily unemployed could be made "an active and improved reserve of labor."

3. The fear of, and opposition to, technological progress could be reduced if those not yet in the labor force, or those redundant because of structural changes, could be trained for adaptation to changes in occupational requirements induced by technological advances, including those labeled "automation" and "cybernation."
4. Planned preparation for employment and movement of workers from inactive to active sectors and from declining to expanding sectors might facilitate adjustment to the changing pattern in a way avoiding both the costs to workers in declining sectors inherent in the frictional unemployment involved and the costs to employers in the expanding sectors (with inflationary consequences) of relying solely on increased wage rates to attract the needed workers.
5. The movement of workers to jobs and of jobs to workers might result in better balance of economic activity among the several geographical sections of a country, thus avoiding the political and economic pressures for general measures having their origin solely in problems relevant only to particular sections of the country.

Support From Unions and Employers

Those who found merit in the approach being taken were not limited to the "eggheads" among the economists and bureaucrats. The approach gained strength as parties at interest, both labor union leaders and employers, sensed the practical advantages to the achievement of their institutional goals. Indeed in the country which is commonly acknowledged to have taken the initiative in giving an "economic process" emphasis to manpower planning and implementation, namely, Sweden, the initiative for the approach came from the labor movement.

In some countries, but particularly in Sweden, trade union leadership recognized the threat "of permanent over-full employment to their ability to act as free negotiating agents independent of government,"[17] to their goal of equalization of wage rates and especially improvement of earnings for low-wage groups, and to their desire to maintain a share of the national income favorable to labor, if some systematic effort were not made to achieve, simultaneously, employment for all their members and avoidance of inflation.

At the same time if union leaders were to opt for a stable balanced economy and to forego the immediate advantages for wage increases presented to workers in certain active sectors during a boom induced by measures to increase aggregate demand, they would have to ensure themselves against falling employment particularly among the already lowest paid workers. Labor market measures, selectively acting as expansionary and dampening instruments, offered at least a possible answer to their problems.

---

[17] Rudolph Meidner, *The Goals of Labour Market Policy,* Memo No. 2, prepared for the Ulriceham Conference on Income Policy, August 1967, p. 2.

Employers' associations were also interested in avoiding government interference with their function as free agents in negotiating wages, and were perhaps more conscious than labor leaders of the key role of the export industries in the economy and the relevance of a stable price level to those industries. Moreover, there were obvious advantages to them in selective labor market operations directed toward the development and maintenance of "an active labor reserve," in public efforts to speed and ease the mobility of labor, and in amplified training facilities whose major cost would be borne by the public treasury.

Resulting Emphases

Such trends, of course, developed unevenly in the several countries in Western Europe. The potentialities of selective labor market measures as a significant component of an overall economic policy were on the whole more evident to economic analysts than to practical politicians. Since politics is the "art of the possible," and since what is possible is determined in part by predispositions rooted in past experience and patterns of governmental action, this was to be expected. Nevertheless there was an interaction between ideas, practice, and growing experience. Changing emphases became increasingly characteristic of the *de facto* evolving manpower (or labor market) policy. Those changing emphases in the role of government can be seen in several of the tendencies set forth in the previous chapter:

1. From concern chiefly with *reducing unemployment,* to equal concern with *expanding employment.*
2. From concern chiefly with *relief to the unemployed,* to equal concern for the *prevention of unemployment.*
3. From reliance chiefly on *general* measures to increase aggregate demand for labor (encouragement of invention and entrepreneurial initiative, protection of home markets through tariff and other trade-related measures, and stimulation and regulation of aggregate demand through monetary and fiscal measures), to the employment of *selective* measures to increase demand where it was weak at particular times and places.
4. From reliance chiefly on *general* measures to develop *employability of the general population* (population, immigration, public health, and general education policy and measures), to the introduction of *selective* measures to develop the type of particularized employability required by current or anticipated demands for labor.

5. From concentration chiefly on the development of an adequate particularized *supply* of labor, to simultaneous and coordinate effort to create a particularized *demand* for labor of a kind suited to the characteristics of actual or potential workers difficult to absorb into the mainstream of business and industrial enterprise.
6. From concern primarily with *movement of workers to jobs,* to a coordinate concern with the *movement of jobs to workers.*
7. From concern *simply with removing individuals from the roster of the unemployed,* to efforts to place workers, through counseling and planned movement, frequently after training, in jobs where their *maximum productive potential* could be realized.
8. From concentration on supply, demand, and mobility measures focused on the problems of *particular localities,* to the inclusion of measures oriented toward achieving *national* economic stability and growth.
9. From operation of manpower measures as an *autonomous effort,* to *coordination and synchronization* of these measures in an overall plan for economic stability and growth.

Has the Social Welfare Emphasis Been Replaced?

Now this may all sound like a change from the dominance of human social welfare concerns to depersonalized economic concerns. In a sense, so it is. But this new set of emphases does not mean that the older concept of government responsibility for remedial measures to assure the economic security and welfare of its citizens has been abandoned. Indeed the human problems of the unemployed still provide strong motivation for government action on their behalf. Moreover, the "economic process" approach did not become central until the middle 1950's. And, if there was a tendency for national officials to give secondary attention to the problems of the disadvantaged and of poverty and to the difficult problems of making fully and profitably employable those on the margins of the labor force, the local employment office staff could not do so. Those administrators on the firing line in local offices inevitably had to wrestle with such problems in carrying out the tasks allocated to them — human adjustment tasks the solution to which was not to be found solely in the economic processes involved in the overall manpower program.

In part because local grassroots experience in European countries is making itself felt in the concept of manpower policy, and in part because the planners and directors of overall measures recognize that those measures themselves result in damage to the employment prospects of some individuals, which places an obligation on government, a resurgence of interest can be noted in the individual human problems of the unemployed, so prominent in prewar Western

Europe, and still the dominant concern in the United States. The traditional programs for relief and social insurance are still in effect.

But to measures, old or new, for providing direct assistance to the unemployed has been added a more basic approach — responsibility for the *particularized employment* of individuals, and even more importantly for the planning and implementing of manpower and labor market mechanisms which amplify the chances that the elements of supply and demand essential to producing an efficient system of employment throughout the nation will be brought expeditiously into balance and synchronized. And such efforts are positively related to, and integrated with, more general measures to provide adequate human resources development and an aggregate demand for their utilization in productive work, in a way which builds a solid foundation for the general welfare in the form of local and national economic stability and growth.

Developments in the United States

It would be inaccurate and unfair to assert that American manpower policy and practice provided no evidence of the elements just named or that the concept of the mission of that policy and practice lacked reference to the declared objectives of those who were shaping manpower policy in Western Europe. The potential value of selective labor market measures as an adjustment to the consequences of macroeconomic measures was recognized by many American economists and public officials. None of the factors influencing the direction of European manpower policy were absent from the American scene although the intensity of their impact varied. The analysis of what was necessary to make the Employment Service a "genuine manpower agency" emphasized most of the requirements listed on pages 50-51 above as essential, and pointed out the great benefit to the nation and its citizens if these requirements were met. The declaration of intent set forth in the preambles to numerous acts of Congress indicated an awareness of the need for economy-strengthening governmental action. This awareness was evident also in legislation for increasing federal support for the development of high-talent manpower competence, in the development of depressed areas, in the provision of training for adults threatened by the "technological revolution," and in the training of workers for the changing occupations expected to accompany that revolution.

But the ideas did not give the main direction to the *de facto* mission implicit in the programs actually set in motion. A number of factors conspired to keep these from becoming the *dominant* theme of our *de facto* manpower policy and practice, and to keep our main attention focused on an approach more closely related to the traditional one of relief for unemployed individuals than to the rational development of manpower mechanisms as a foundation for the stability and amplification of full, productive, individual and national growth-stimulating, freely chosen, and secure *particularized employment* for all. Why not?

Lip Service to Full Employment

The first factor was that, until recently, we never had to face up to the *experienced* inflationary consequences of attempting to promote full employment and economic growth by expansionary fiscal and monetary policies. We were worried about inflation, but not because bold measures taken to provide a situation of full employment had made us aware of the inflationary problem we were creating. As a matter of fact political, labor, and business leaders gave only lip service to full employment. The Employment Act of 1946 was a declaration of purpose rather than a practicable charter for action. The Council of Economic Advisers was concerned about unemployment; and, had it possessed legislative and executive power, would no doubt have employed fiscal and monetary stimuli to increase aggregate demand sooner than that was done. Although the Council indicated the desirabilty of the kinds of action being urged by the structuralists to achieve a better balance between supply and demand in the labor market, its running debate with the structuralists on the merits of the aggregative measures reinforces the impression that its major confidence was in that latter approach. The country experienced only limited consequences of that approach, however, for the preoccupation of those with the power to chart the nation's course was with maintaining price stability to a far greater degree rather than with promoting economic growth. Until the Tax Reduction Bill in 1964, the contribution of economic expansion and growth to full employment remained chiefly in the area of discussion rather than of action. The spotlight was therefore never as intensively thrown, as it was in Europe, on the question, "How do you adapt to the experienced inflationary consequences of monetary and fiscal measures designed to promote full employment?" The inflationary impact of expenditures for increasing military operations and for space exploration was of course pronounced. But expenditures for selective manpower measures, particularly of the kind set in motion in the United States, were not considered appropriate and feasible alternatives which might possibly reduce inflationary tendencies. The military and space exploration outlays, of course, had employment and labor market effects, but the objectives of such outlays were not related to the achievement or avoidance of such effects.

Evidence of Those Hardest Hit by Unemployment and Poverty

A second factor was the clear evidence from experience and from the message available in our very excellent detailed monthly labor force, employment, and unemployment statistics that we faced a problem of *class* rather than *mass* unemployment. The persistent *youth* unemployment rate of three times the general average, and of a nonwhite rate double that of the white youths, cried aloud for efforts to help disadvantaged youths, particularly nonwhite youths. (In 1963 when the rate for married men was 3.4 percent, the rate for teenagers was 15.6 percent; and for Negro youths, nearly twice that figure.) The persistent general *nonwhite* rates of twice the general average presented an obvious challenge to do something to reduce the numbers of nonwhites unemployed. The exaggerated unemployment rates in the central cities threw the spotlight on the suspected impact of unemployment on unrest and rioting there. The unemployment rate of the *unskilled* from two to three times that of the skilled highlighted their plight, which threatened to become even more desperate with the rapidly accelerating pace of automation. The heavy incidence of unemployment among the *less educated* and secondary *school dropouts* focused attention on their disadvantages in the labor market. The *longtime unemployed* stood out at times as producing over one-half of the individuals out of work, and the disproportionate presence of groups otherwise disadvantaged in this "hard core" highlighted the relative lack of their acceptability to employers who had jobs to offer.

Loud and respected voices were heard in the land warning those with policy-making power for launching efforts to increase the employability and employment of these disadvantaged individuals at the rear of the "employment queue" that there was "social dynamite" in the situation.

Not only official employment and unemployment statistics, but also a number of special studies and surveys, reinforced their warnings.

One such official study was reported by Frank Cassell, the Director of the U. S. Employment Service.[18]

> I should like to make brief reference to a study we conducted in November 1966, in the slum areas of nine U. S. cities (three areas in New York City, and one each in Boston, New Orleans, Philadelphia, Phoenix, St. Louis, San Antonio, San Francisco, and San Juan) designed to identify and measure the conditions associated with poverty in big-city slums. While the rate of unemployment averaged 3.7 percent nationally, in the *slum areas* studied it was *ten percent* — or almost *three times as high.*
>
> Of the unemployed surveyed in these studies, more than 70 percent were non-whites. Over one-half of the whites were either Puerto Ricans or Mexican-Americans. We also found a significant concentration of unemployment in the younger age group. The unemployment rate in the 16 to 19 year old age group was 28 percent.
>
> We also found, as you would expect, that two out of three of the unemployed had less than a high school education. Highly significant was the information that among those employed, most had intermittent jobs and correspondingly low income.
>
> Over one-third of the slum families reported annual incomes under $3,000, and the average family income was a bare $3,800. Almost half the surveyed families reported their income came from unemployment insurance, welfare, Aid to Dependent Children, or other non-employment sources.

---

[18] See footnote 3, pp. 97-98.

> A disproportionately large number of men in prime working ages were found to be *out of the labor force* — 11 percent between ages 20 and 64. This compares with a seven percent rate for this [age] group in the country as a whole. To make matters even more appalling, a sizeable proportion of adult males believed to be living in slum areas could not even be located for an interview.
>
> Through this study, it was found that one out of every three residents of the slum has a serious employment problem. That is the situation facing us today.

And so it went. The very excellence of our basic statistics on employment and unemployment produced the very natural *inference that unemployment was a function of relative disadvantage in employability among certain groups in the labor force.* That is, the problem was basically one of pockets of unemployability in the supply of labor. The way to reduce unemployment was to zero in on making these groups employable. That the problem of a sizable number of the disadvantaged was not simply lack of occupational skill but illiteracy was a shocking conclusion that could not be escaped. The conclusion could be drawn from the files of social workers who come into contact with such cases. The real shocker, however, was produced by the revelation of the experience in the selection of *young* men for military service in World War II. Eli Ginzberg reports on that experience.

> Of the 18 million young American males between the ages of eighteen and thirty-seven who were screened for military service 700,000 were rejected because they were totally illiterate; another 600,000 illiterates were taken into the armed services, primarily into the Army, and went through special training to achieve literacy. Another 700,000 servicemen were at the borderline of literacy; they could read the word "fire" but not "danger"; they could sign their names but could not write a letter. There were, then, approximately 2 million young men either totally or substantially illiterate in the year 1940, although our nation had been committed to free public education for generations.[19]

The effect of this situation on employability was obvious.

Did not European policymakers face such problems also? Without attempting to make any comparison of the proportions of the population suffering from such handicaps to employability, it can be said that the absolute numbers must inevitably be greater in a nation of 190,000,000 people, and that the unemployment figures influencing public policy in Western Europe do not focus in such detail upon the characteristics of the unemployed. In addition, as Beatrice Reubens has pointed out:

---

[19] Eli Ginzberg, *Manpower Agenda for America* (New York: McGraw Hill, 1968), p. 12.

Such differential unemployment rates as exist for the unskilled, uneducated, minority groups, or teenagers tend to go unrecognized and unpublicized in Europe when the absolute numbers of unemployed are small, the average duration of idleness is brief, and there does not appear to be a group unemployment problem.

Certain categories which figure prominently in American definitions of this group have simply not fitted that description in Europe. There, teenagers, racial minorities, foreigners, rural migrants, the uneducated, and the unskilled are not considered hard-to-place in themselves, or even when they have a combination of these attributes. To the Europeans, the hard-to-place are primarily those who fall in one or more of the following groups: the physically, mentally, or socially handicapped, the long-term unemployed, or displaced older workers.[20]

The "War on Poverty"

A third factor was the decision of the President to make the "war on poverty" a major part of his domestic program. The strategic objective of this "war" was not simply to expand the kind of services traditionally associated with charity or poor relief. The purpose was not to provide the poor with a larger dole. This was not to be a program of bigger and more widely distributed handouts. ("The days of the dole in our country are numbered," said the President in his "declaration of war.") The objective was bold and fundamental. It was to seek out and bring to the poor of the land the opportunity to acquire sufficient competence to support themselves and their families through employment.

The Act which embodied the authorization for action and gave promise of federal financial support to the "war" was not entitled "The Poor Law of 1964" or the more modern and respectable title "The Public Assistance Act of 1964." It was called the "Economic Opportunity Act," and the new independent agency set up to administer it, as well as to coordinate the work of all agencies whose activities had a bearing on the rehabilitation of the poor, was called the "Office of Economic Opportunity."

The entire war on poverty was not to be waged, however, by the Office of Economic Opportunity. The efforts of other agencies already carrying out functions associated with a manpower policy serving a more comprehensive clientele than those who had been "left out" or "left behind," were to be marshaled and directed to throw their forces into the war. The Employment Service, the Office of Education, and the Department of Labor (particularly in its administration of MDTA) were instructed to support the efforts for the elimination of poverty.

---

[20] Beatrice Reubens, "Lessons for the United States From Western European Experience With the Hard-to-Place," *IRRA Proceedings of the Twentieth Annual Winter Meeting*, December 1967, pp. 307-314.

The philosophy justifying what the war on poverty was intended to accomplish was logically sound. The greatest single cause of poverty was considered to be the lack of employment which would provide a person the income needed to buy a decent living and the experience of participating as a self-respecting and respected human being in a working world. The greatest cause of unemployment was the lack of employability. The great need was, therefore, to make more employable those whose employability was insufficient to get and hold a secure and rewarding job. Meeting that need obviously involved skill training; but it meant also supporting services to increase the individual's health, work habits, motivation, and sense of participation in what was being done to or for him. And since many were sunk in the pond of despair or lacked the knowledge (or the initiative to use what knowledge they had) of how to get into the system of work, "outreach" would be necessary to find them and to bring them into touch with the services already, or to be made, available.

This was an attack on poverty which found support in traditional American attitudes toward self-reliance and earning what one gets. It was not a difficult transition from that tradition, emphasizing the importance of work as the basis for the demonstration of responsibility by the individual citizen, to the idea of government's responsibility to guarantee work, or at least the opportunity to prepare for work, as a right for the individual. The war on poverty was sold to the politicians and to the public generally as the challenge to make democracy a reality for those who had been the least among its beneficiaries. Legislators responded to the challenge with a series of measures to alleviate the plight of the poor — in part as a response to such a challenge, in part as an expression of humanitarian concern for the disadvantaged, and in part as a way of avoiding damage to life and property on the part of those frustrated by, and in rebellion against, the Establishment or the system which gave them only crumbs from the table of an affluent society. Moreover, it didn't take much sophistication for Congressmen to sense that a war on poverty, focused on direct benefits to disadvantaged individuals, had more appeal to American voters than overall economic planning and the rational distribution of services and funds to achieve general economic stability and growth.

Not only was political advantage for legislators found in their active concern for the disadvantaged, but pressures were mounting from the states and cities for federal aid in two areas of government responsibility: education and social welfare. The war on poverty was initially popular, even with most advocates of restraining the increase in federal "interference" in local affairs, as a mechanism through which the states and cities could be relieved of a part of this increasing financial burden, particularly those resulting from welfare costs. It made little difference to governors and mayors whether the package containing federal funds was labeled "for manpower programs" or "for public assistance," so long as their expenditure could be a means of meeting those mounting costs.

Nor were they concerned that manpower activity and social welfare activity were becoming almost identical in the public's mind.

It is not difficult to justify efforts to increase the employability of the disadvantaged and to find jobs for them as an important part of a comprehensive manpower policy and program. It is more difficult to justify the predominant, if not exclusive, attention of manpower policy and practice to that part. One can give hearty approval to the intent, if not to the results of the war on poverty, and at the same time warn of the damage to the potential contribution to the nation and its people of a manpower policy if its mission and operational field are restricted to individualized services to the least employable of the nation's labor supply.

The Civil Rights Movement and Riots

A powerful factor increasing the inclination to identify manpower with social welfare was the civil rights movement, which, among its other accomplishments, resulted in bringing to light the great anomalies in the relative employment disadvantages of the nonwhites and the disproportionate concentration of geographical, educational, and employability disadvantages in that group. When Negro militants took the protest action away from the "Uncle Toms" and made their rebellion manifest in burning, looting, and sniping, the threat became an understandable stimulus to concern about the well-being of this group of people. The analysis of the causes of the threat which placed heavy emphasis upon unemployment may have been superficial. But it was understandable. And, since manpower policy was presumably directed toward reducing unemployment, it is understandable, given the dimensions of the threat to public order and to the very system of government itself, that in many minds the chief mission of manpower policy was to reduce the motivation to riots in the cities by keeping potential rioters occupied with training and work and by giving them the opportunity for satisfying and secure participation in the world of work. Also when special attention was concentrated on the Negro, a host of problems pertaining to health, education, family and community life, extralegal occupations, and adaptation to urban and industrial life arose, indicating the need for services normally considered the province of social welfare, but obviously required to develop satisfactory employability.

Supply and Demand

It was observed in Chapter II that the current government-sponsored manpower program in the United States focuses effort largely on activities useful in improving the quantity and quality of the *supply* of labor, and devotes limited effort (so far as programs labeled "manpower" are concerned) to demand.

That emphasis on supply is supported by tradition. It is consistent with the historical record of government actions which have had an impact on the labor market, although not at the time considered to be the result of a public policy labeled "manpower." A number of such actions had direct influence on the supply side of the labor market. These actions included, prior to World War II, the permitting and defense of slavery until 1863, indentured servitude in the early days, and free immigration for whites.[21] Although other motives were involved, the early support of government for free elementary and secondary education, the Morrill Act, and the establishment of land grant colleges to train youth in agricultural and useful mechanical arts were other examples. Even the charters of the first private colleges echoed the stated "vocational" objective of the founders; for example, of Yale College, "to raise up hopeful youth for service to Church and State."

The Employment Service, instituted in 1933, and its local- and state-sponsored predecessors were mechanisms basically designed to facilitate the distribution of an unemployed labor supply.

Vocational education and training for the tasks of agriculture, the home, and trade and industry were a part of federal "manpower" policy from 1917 (the Smith-Hughes Act), and vocational rehabilitation from 1920 (the Smith-Fess Act). Both policies and the actions to implement them are related to the supply side of the employment equation.

Although primarily initiated as an accepted obligation to veterans of the nation's wars, the efforts at the restoration to jobs of returned soldiers and sailors and the GI Bill of Rights, providing scholarships for periods related to length of service in the armed forces, involved one of the most extensive investments resulting in the training of manpower ever undertaken by the federal government.

Government support for scientific and engineering education was forthcoming—at first for military, and later for civilian, personnel. Support for the development of high-talent manpower was greatly expanded after World War II and was given high priority, particularly after Sputnik. The National Science Foundation and the National Institute of Health, with their scholarships and traineeships and loans, were supplemented by similar support for graduate and professional students in practically all fields of career preparation. The National Defense Training Act was also a major source of support to this purpose. By 1968 the total federal appropriations for this supply-developing purpose amounted to over one-half billion dollars.

When the concept of manpower policy was introduced into the vocabulary used to discuss federal action concerning employment and the operations of the labor market and concerning methods for dealing with unemployment, the precedent was well established for considering such action as involving primarily the amplification of the quality of the supply of labor.

---

[21] With modifications introducing discriminatory selection of immigrants in 1890, 1910, and 1920, and at several times giving preference to skilled workers in short supply.

But there were circumstances coordinate with this precedent-setting tradition which limited any tendency toward launching major government programs designed to amplify the "demand" for labor in the form of particularized jobs.

The first inhibiting circumstance was that many influential opinion molders remembered the New Deal efforts at creating jobs for the unemployed during the depression of the early thirties through such large-scale ventures as the Civilian Conservation Corps, the Works Progress Administration, and the Public Works Administration. The awareness of the benefits of such projects to the public, as well as to those who found work, was lost in a general impression that they represented wasteful expenditures on "leafraking," and "made work." And a younger generation, with no firsthand experience of those dark days, accepted the appraisal implicit in those characterizations of the federal government's first major venture in the role of "employer of last resort."

The second circumstance was that the creation of the vast majority of jobs, both as to number and type, which constituted the demand for labor, had always been considered the province of private enterprisers. Jobs were appropriately a result derived from the initiative and decision of private employers to undertake hopefully profitmaking ventures. Although the steady expansion of government activities also resulted in job creation, there was continual resistance from taxpayers to enlarging the portion of the labor force paid for out of the public treasury. And from the leaders and managers of profitmaking business and industry came understandable objections to public work-producing projects and activity which would result in products competing for consumption with those from which a profit could be made.

The area of improving the labor *supply* was, therefore, an operational field more accessible to government, and one the cultivation of which met less resistance from private enterprisers than enlarging the *demand* for labor by the creation of particularized public service jobs. Public job creation faced the dilemma that government was expected to avoid waste and unproductive activities; yet, when the effort to make jobs for the unemployed resulted in activities which *were* productive, the effort was declared to be unfairly competitive with private enterprisers.

The present experiment involving the subsidization of private firms in training the disadvantaged unemployed for jobs, which the employers are committed to assigning to the trainees, is a major breakthrough in adding a demand dimension to the government's "manpower" program which has at least some chance of meeting the objections of private employers to *public* job creation. It is popularly assumed that employment in the private sector will be productive and not wasteful and that, since the employer will utilize the supply thus improved for his own profit, the charge of the competitive interference by government does not hold. Whether these assumptions are sound remains to be seen. And the question remains unanswered as to whether the volume of jobs produced by the venture will reduce to the vanishing point the necessity for government to institute a positive job-creation policy and practice of its own for the useful employment of those from whose labors private enterprisers can see no possibility of making a profit.

Another circumstance bearing on the difficulty of government efforts which would create jobs at times when, and in places where, the private demand proves inadequate is that a major possibility for such activity is in the field of public works, which can be timed and allocated in response to fluctuations, seasonal and geographical, in the normal labor market. This potential source of compensatory enlargement or reduction of particularized demand for labor falls into the class of politically oriented activity known as "pork barrel." Public works, distribution of government contracts, and regional development are looked upon by Congressmen with sectional interests to serve, and a political acceptance to preserve, as something to *get* for their constituents. To plan and to distribute such particularized demand-producing measures of the public works and contract variety rationally and in the interests of balanced economic stability and growth as a part of an overall labor market policy would run smack into sectional political interests.

The Attitude Toward Planning

A final circumstance which militated against the initiation and carrying through of a comprehensive, preventive, and positive manpower policy was opposition by large numbers of politically powerful segments of the American public to anything resembling or leading to centralized government and centralized planning, or to any government action likely to interfere with individual and local autonomy in the arranging of life and work. The specter of putting greater power into the hands of the federal government in matters related to an area as important to personal and local life as the supply of, and demand for, workers and their rational distribution, in accordance with a centralized plan centrally administered, caused cold shivers of apprehension to run up the spines of many politically powerful individuals and groups. The direction of activity on the basis of short- and long-range planning, which is considered to be good business when conducted by businessmen, was taken as evidence of creeping socialism when practiced by government. The specter of a planned economy to avoid the need for remedial social welfare was as fervently opposed as was the complex of social services labeled "the welfare state," the need for which might conceivably be reduced by centralized planning.

Setting forth these circumstances is for purposes of explanation, not criticism. Every one of them has its roots in the soil of American experience. They have been influential, if not controlling, in giving direction and emphasis to American manpower policy and practice. Any more comprehensive, preventive, and positive manpower policy oriented toward achieving balance and progress in the operations of the total labor market and a closer approximation to full employment will have to come to terms with these circumstances and with the political action predispositions rooted in them.

VI. Consequences of Postwar American Manpower Policy

The postwar emphasis given to improving the employability and the employment of disadvantaged persons among our people marks a turning point in the operational concept of relief to the unemployed as significant as the introduction of social insurance. It is the major theme of this chapter that the consequences of *concentration* on this emphasis have, however, limited, and possibly even inhibited, the potential of a manpower policy more broadly conceived to strengthen the American economy and to increase the economic well-being of *all* American citizens, including the disadvantaged. It is, however, no criticism of the efforts made to observe that they involve a part, and not the whole, of manpower policy — unless the *de facto* concept of the mission of such a policy developed through those efforts is understood and accepted by policymakers and the public *as the whole, and not merely an important part,* of the manpower task.

Positive Achievements

It must be recognized that the implementation of the present emphasis has real and significant accomplishments to its credit, especially when measured against the objectives established for, and the concept of mission implicit in, the programs for action. Those accomplishments have been well documented in both public and private evaluations[22] and have been made a living reality in the experience of millions of individuals for whom the door has been opened to a chance to share more fully in the fruits of the work for which they are now better prepared and which has been made available for them. In 1967, 970,000, and in 1968, 1,300,000 individuals were reported to have been beneficiaries of the several "manpower" programs.[23]

The personal problems of the unemployed have been brought sharply to the attention of the American people and their political and economic leaders, and this at a time when, relative to the dark days of the successive depressions which plagued the nation prior to World War II, the proportion who could not make it on their own has been far less.

---

[22] See, for example, the annual Manpower Reports to the President; the annual and interim reports of the Department of Labor and its Bureau of Employment Security, of the Department of Health, Education, and Welfare, and of the Office of Economic Opportunity; the numerous reports, addresses, and articles by those officials and administrators at the federal, state, and local levels, giving an accounting of their stewardship of the various segments of the program. Particularly informative have been the words of Willard Wirtz, John Gardner, Sargent Shriver, Seymour Wolfbein, Stanley Ruttenberg, Louis Levine, and Frank Cassell. Analysis and evaluation by members of the academic profession have on the whole been more critical than laudatory, but there has been ample recognition of the programs' accomplishments as well, particularly in the works by Garth L. Mangum and Sar A. Levitan, referred to in the foregoing chapters.

[23] *Studies by the Staff of the Cabinet Committee on Price Stability,* 1969, p. 24.

The conscience of the people and of their political, business, and labor leaders has been activated to sense the anomaly of economic distress for some in the midst of affluence for the many, and that activated conscience has been followed by efforts to correct the situation through numerous remedial programs. The programs have given operational meaning to a basic ingredient in American values, for they have been premised on the sound principle that self-support is the road to self-respect, and that self-support by virtue of increased employability is the basic approach to improved economic well-being. The experiments undertaken have revealed the realistic problems which must be faced and solved if economic well-being is to be realized in the life circumstances of a sizable number of our citizens for whom the normal arrangements of political, social, and economic life have produced failure instead of success. And that revelation is basic to problem solving. It has become clear to us that employability involves much more than the possession of a useful skill. It has become obvious how inadequate as a foundation for productive and satisfying work in our day is the learning experience in home and school, and how casual and, for many, how ineffective, are the bridges between school and work. It has been sharply revealed how motivation to self-support through work is weakened when the jobs available provide a living no better than (or even less favorable than) relief; when relief allowances are reduced proportional to earnings from employment; when alternative and more lucrative "employment" is available in extralegal pursuits; when a successful head-of-the-family breadwinner model is absent from the family environment; when economic security and safety are dependent as much on familiar communal support as on earnings from work, and would be lost by moving to a different area; when experiences in employment obtained throw the worker into a situation of self-disciplined participation, for which his acquired work habits, acceptance of directions, and ability to be one with his workmates did not prepare him; or when work opportunities are given or withheld, and promotions are awarded or denied by reference to racial prejudices. The relevance of housing, transportation, and high cost to the individual of movement when residence and work are geographically separated has been highlighted. The probability that some persons will never be able to achieve employment in profitmaking enterprise has been reluctantly acknowledged, and explorations and experiments have been undertaken to supplement private employment with public employment. It has become clear that employment is but one basis on which a sense of human dignity and successful living is built, and that any effort at increasing the employment opportunities and capabilities of individuals, particularly racial minorities and the residents in urban poverty districts, will involve attention to the elements of community life, the power structure within it, and the values and habits developed by life there. The value and desirability, as well as the dangers, of involving the disadvantaged in cooperative participation in the planning and management of projects for their own benefit have been brought sharply into focus. The consequences for public peace and order resulting from promises which raise expectations beyond the capacity to make good on those promises have been vividly demonstrated, as has been the dangerous gap between rhetoric and performance.

A major consequence of directing primary attention to the employment problems of the disadvantaged, in other words, is that we have learned how difficult the problem is; but we have also learned much about the specific character of the difficulties. The accumulated experience, when adequately assessed and translated into needed adaptations in action, can provide guidelines for the reduction of poverty in the midst of plenty — guidelines directed at the root causes of such poverty in a nation committed to placing upon each individual the major responsibility for his own self-support and that of his family.

Given the reduction of poverty as the mission of manpower policy, these are no mean accomplishments.

Not the least of the accomplishments of the postwar manpower program (again in terms of the given objective) has been that, among those responsible for the administration of the traditional manpower agencies, there has become manifest a growing sense of the right to equality of service for those who in the past have been relatively neglected. Consider, as three examples of this development, the growing acknowledgment of the action implications of "equality of service" for the Employment Service, for vocational education, and for employment in private industry.

An excellent summary of the amplification of the scope of perceived responsibility in the Employment Service and Vocational Education is given by Garth Mangum in *The Contributions and Costs of Manpower Development and Training*.[24]

> Traditionally, *Employment Service* activity ceased, for all practical purposes, upon discovery that the applicant lacked skills to fit the job orders on file. MDT required surveys of the labor market to identify occupations with "reasonable expectations of employment." It required sifting the unemployed for their trainability. It changed the question, "Does he have the skill?" to "Can he acquire the skill?"
>
> As the Youth Employment Act failed in passage and MDT gave greater emphasis to youth, the USES directed the opening of 140 Youth Opportunity Centers throughout the nation. Negro unemployment and training needs put the spotlight on the racial practices of some state Employment Services. Much to the consternation of the professional counseling associations, shortages of employment counselors to handle the new MDT load forced the Employment Service to launch special summer projects for the

---

[24] See footnote 5, pp. 45-47.

> training of counselors. Dealing with the disadvantaged identified inherent biases in testing techniques. National publicity and pressure for a good MDT placement record encouraged job development activities — active promotion of job opportunities to fit an applicant's abilities and needs, in contrast to passive matching with job orders.
>
> Subsequently, the Employment Service has become involved in recruiting for the Job Corps and Neighborhood Youth Corps, outstationing personnel in poverty program neighborhood centers to serve the poor and also in military induction centers to serve selective service rejectees. The change has been slow against considerable inertia and resistance. Yet progress is indicated by the new Human Resource Development emphasis which is designed to change the Employment Service philosophy from a "selecting out" to a "selecting in" agency.
>
> Vocational education enrollments were overwhelmingly in agriculture and home economics with the emphasis on high school students. Ties with the Employment Service were rare. Adult enrollment was almost completely limited to employed workers interested in upgrading their skills. Few areas had a place in vocational education for the school dropout. Segregated facilities in some parts of the country either offered no opportunity to minority groups or limited the occupations to which they had access. Ambitions to improve the image of vocational education often tended toward entrance requirements ruling out those most in need of help.
>
> . . . Employment Service and vocational education personnel have learned to live together and, in many cases, even enjoy it. School principals have discovered a source of materials and equipment which, though primarily for MDT purposes, can often be used for regular courses. Where formerly a school had invested in facilities and equipment and tended to continue a course regardless of need, federal MDT officials have encouraged more flexible facilities and required transferring of equipment around among schools within a state as community need varied. Most important of all, vocational educators have learned to serve effectively and be concerned about the welfare of a population formerly beyond the ken of many. In doing so, institutions and techniques new to vocational education in most areas were also developed and expanded. Among these were the development of multioccupation projects and skill centers and the provision of prevocational and preapprenticeship training and basic education. So far, their use has been limited to MDT projects but, since they are run by vocational educators, there are already indications that many of the practices will eventually find more general adoption.

The admonition to American employers by Frank H. Cassell[25] (a prominent industrialist), when Director of the Employment Service, points up a modification of employer attitudes, a manifestation of which is the large-scale program for training and employment of the disadvantaged launched last year by the National Alliance of Businessmen under the chairmanship of Henry Ford II, as well as numerous company projects of the same nature and the setting up of firms in ghetto areas, undertaken prior to and concurrent with this program and supported in some cases by subsidies from federal funds.

---

[25] See footnote 3, pp. 41-42.

> The entire problem presents a challenge both to employers and job market intermediaries as well as a reorientation in our thinking and preconceived ideas about the disadvantaged. Actually, we have a vast, untapped reservoir of human resources here. We might put it this way Industry learned long ago, and still is learning, that what once was considered wasted, need not be that at all, and through research and creative thinking whole new industries and useful products have evolved from what was once cast aside. If this is true with natural resources, might not the same thing be true with human resources? Our trouble may be that our knowledge of materials has outstripped our knowledge of people and what they can do if given opportunity, encouragement, and incentive.
>
> Thus, employers need to put aside many preconceptions about the disadvantaged and, as they hire them or train them, accept each on his own merits, recognizing that though the desire to succeed may be there, they often have an expectation of failure. Top management needs to appreciate the sensitivities involved and the potential for trauma both to the trainee and to the foreman for whom he works. It is highly important that ways be found to help many foremen reorient their thinking about the disadvantaged. It may well be that the foreman himself comes from a disadvantaged background and through his own efforts and perhaps a bit of luck has managed to rise above it. He may look down on the disadvantaged, those who have a hard time getting jobs, and have little patience with them or understanding of their problems.

This interest in bringing the disadvantaged into the mainstream of private employment has not been easy for American employers, for the approach runs counter to their traditional concepts of good management. To continue with Cassell's comments:

> This is work for which personnel people in industry have not been trained. Their performance is measured by the productivity of the people they hire, their skill, their dependability, their adaptability, and how well they fit into the organization. Their own standing in their organizations rests on judgment of people and the ability to select out the most able from the less or least able. They are taught and learn the danger signals that warn them to reject quickly the potential marginal workers — those whose records reveal such problem potentials as high absenteeism, police or arrest records, apprehension for narcotics addiction, job hopping, bad garnish-

> ment records and credit problems. In other words, the training of personnel people in industry is attuned to identifying the advantaged part of the work force and the selection of the fittest. The experience of most corporate training directors is with the fittest, the ones who have the highest potential. . . .
>
> These are the people [corporate training directors] to whom we must turn for help in developing jobs and training for the hard-to-employ. We ask them to turn their backs upon their experience and training and start thinking in new directions that involve employing and training the most disadvantaged segment of our population. It is not their fault, for almost without realizing it three important policies have now become a part of our life — our revolution and experiment in achieving full employment, eliminating poverty, and ending dependency by liberating the disadvantaged from the idea of charity and helping them become self-sufficient and including all Americans in our work force. Suddenly we are including everybody in our plans.

If, therefore, the major mission of manpower policy is to provide a sound program of assistance to the disadvantaged unemployed, by efforts directed to the individuals thus characterized, and to lift them out of their resulting poverty, the policy is being implemented in a way that holds great promise, whatever criticisms can be leveled on the grounds that, to date, it has only begun to reach a significant number of those in need. If that mission, in other words, is to operate a sophisticated form of *public assistance,* avoiding many of the consequences for human dignity and pride of the "lady-bountiful" or "welfare-state" approach to poor relief, then we are on the way to accomplishing that mission.

Among the notable and highly significant achievements of the postwar manpower policy is the issuance each year of the Manpower Report to the President. From the point of view of creating a public awareness of the potential human operational field for manpower policy, these reports may prove to be the most important contribution related to that policy. These reports have brought together the basic available evidence, statistical and expository, of the labor market factors with which manpower policy may be expected to deal. The reports survey the resources available, as well as what is being done to utilize them, on a manpower front much broader than that relevant to the war on poverty. Particularly the recent reports have pointed out the shortcomings as well as the achievements of the programs and have suggested the areas of manpower activity untouched by the attack on the problems of the disadvantaged. It is natural, however, that the survey of current activities should stress what is being done in that latter area, for, as we have seen, "that is where the action is." The result is that the *dominant* impression one gains from a reading of these reports is that "manpower action" and "the development of employability among, and finding employment for, the disadvantaged" are well nigh synonymous.

Some Second Thoughts

As I have already indicated, however, there is an alternative concept of the mission of a national manpower policy. Attention to the employment and income difficulties of the disadvantaged is an important ingredient in that alternative concept. But it is more comprehensive and, from the point of view I share with a number of public officials and academic colleagues, more promising as an approach to the economic welfare of all our people, including the disadvantaged. One of the consequences of the narrow concept is that commitment to it in the development and operation of manpower programs provides an inadequate stimulus and guide for moving toward an implementation of the more comprehensive concept of the mission of manpower policy.

Indeed a major unanticipated consequence of the present remedial and service-to-disadvantaged, individual-oriented "manpower" effort is this. Its limited relevance to overall economic policy has raised questions in the minds of many administrators and political leaders about the ultimate overall objectives of manpower policy, and as to whether the present concept of that mission gives direction to the kind of manpower policy which can reach those objectives. Are problems critical to current employment stability and productiveness being neglected? Are potential contributions of manpower policy to future overall national economic stability and growth underestimated and inadequately provided for? Does present policy limit and actually inhibit the steady evolution of manpower programs toward the realization of that potential? Are benefits for the disadvantaged actually limited by the narrowness of the concept of mission?

I suggest that the answer to such questions is "yes," but let me be more specific.

Unsatisfied Manpower Needs

Relative to the resources devoted to preparing the disadvantaged unemployed for jobs at or near the entrance level in industry, the resources devoted to upgrading of presently employed and to other training arrangements to fill positions at or near the top of the skill hierarchy are minimal, even where shortages in a tight labor market have become evident. Also aside from some small-scale projects to train the disadvantaged to be subprofessional aides in such fields as nursing and teaching, little attention has been devoted to an important group in the nation's manpower resources, the subprofessionals and middle-level technicians. The MDTA is the major manpower program with a chance of meeting skill shortages and promoting upgrading, but the main thrust of efforts undertaken under its terms has not been in this direction.

The Manpower Development and Training program was designed to serve the unemployed, not the labor market. It has trained, not for labor

> shortage occupations, but for occupations with a "reasonable expectation of employment." The difference is a philosophical one of "ends vs. means," but it has important practical consequences. The primary objective is to facilitate the employment of the unemployed; the filling of skill shortages is secondary. Therefore, the MDTA handbook directs Employment Service personnel to identify not only shortage skills but those where high turnover or retirements or expected expansion will provide job opportunities. The 1966 declaration of intent of the Manpower Administration allocating 35 percent of the MDT effort to the alleviation of skill shortages lists occupations in short supply nationally and suggests, but it does not press for, attention to them in setting up training projects.
>
> The occupations most likely to be critically short of labor are primarily those requiring training time beyond the two-year legislative limits and one-year practical limits of MDT. The new authority to provide refresher training for registered nurses and other "out of touch" professionals is the only significant potential contribution at the professional-technical level.
>
> . . . . The individual, not the labor force, is still the focus; and, though significant upgrading of the relatively few members of the labor force involved results, it is a bonus, not a primary objective.[26]

Training for management, and especially middle-management, manpower has not come within the scope of "manpower" policy. Even managerial training for carrying on the vastly expanded governmental programs has not been adequate to staff these programs for the most efficient operations.

Minimal Attention to Prevention

One shortcoming of the present program which is a handicap to the operation of an effective comprehensive manpower program, even at the present time, is the lack of attention to the *prevention* of unemployment for *adult* members of the labor force. It is, of course, justified to consider as preventive action the improvement proposed for vocational education; most of the efforts to provide youth with career information, counseling, training, and work experience; and the efforts to build bridges between school and work.

Preventive action so far as adults are concerned, however, is unusual, a result deriving almost automatically from the emphasis on remedial action for those who are defined as having been proved hard to place. Beatrice Reubens, in her study of European efforts for the hard-to-place, stresses this difference in the American and European approach.

> Much can be learned from European social and labor market measures which, among other effects, tend to prevent people from becoming hard-

---

[26] See footnote 5, pp. 40-44.

> to-place. Preventive action is in every way preferable to remedial and it usually is less costly.
>
> The first type of preventive action may be illustrated by the case of education. While the European countries do not yet match us in the wide access to secondary and higher education, they are superior in the provision of uniform basic education of good quality and the avoidance of illiteracy.
>
> . . . . It appears that greater equality in the distribution of income and public services such as education, health, recreation and housing may be more important than a very high level of per capita GNP in the effort to limit the future numbers of the hard-to-place.
>
> The second type of anticipatory action is more directly in the manpower area. The measures arise from the recognition that major occupational and geographic shifts must be made by many of those whose roots are in declining activities, such as agriculture, self-employment, or coal mining. Difficult adjustments also must be made by those with long service in a particular firm which is reducing its labor force, closing down, or transferring operations. Underlying the European manpower programs is the view that labor is a scarce and valuable resource, that the costs of economic change and growth must not be borne exclusively or disproportionately by the displaced workers, and that assistance should be directed toward productive employment rather than subsidized security in contracting industries or occupations.
>
> While whole nations and industries in Europe are covered by governmental and private preventive programs which enable many displaced agricultural and industrial workers to escape the hard-to-place category, in the United States such programs are largely private and benefit a small number of workers. If it is true that the American situation is intrinsically more difficult, then all the more reason to take the preventive measures. Our varied efforts over the past few years have been largely remedial action to correct a long-neglected accumulation of problems. Even while there is a large backlog of cases needing remedial treatment, full-scale, long range preventive programs are of the highest social priority. These are particularly needed among the young and in the South and Southwest, especially in the rural areas, the breeding ground of the problems which later gain political and social attention in the northern and western cities.[27]

Another possibility for the prevention of unemployment not well exploited in the United States is the anticipation of seasonal and even cyclical fluctuations in the demand for labor, followed by the systematic and timely allocation of funds for public works, expansion of training slots, and direction of government contracts as measures to *prevent* the anticipated declines in employment. A particularly interesting device, utilized in Sweden, is the accumulation of tax-free investment reserves by private firms to be released for, or withheld from, use by permission of the Royal Labour Market Board to offset *anticipated* fluctuations in the demand for labor.

---

[27] See footnote 20, pp. 309ff.

Such anticipatory and preventive actions are, however, difficult or impossible, unless guided by an early warning system from employers concerning their anticipations of the increase or decrease in their labor requirements. Concentration of attention on the especially disadvantaged whose need for remedial treatment becomes obvious *after the fact* has resulted in inadequate development of the job-vacancy and early-warning measures and adaptive preventive action which are essential to action beneficial not only to the disadvantaged unemployed, but also to all members of the labor force who, although presently employed, are not immune to that hazard of unemployment.

It may well be that the kinds of training and anticipatory and preventive measures indicated are appropriately the concern and responsibility of private-sector employers and the educational institutions of the country. It is not, however, with the exception of managerial training for private industry and non-profit institutions, excluded from the concept of manpower development *possible* under existing legislation. Lack of emphasis at the present time upon manpower development for occupations at or near the top of the skill hierarchy is not, therefore, as serious a hindrance to the evolution of a comprehensive manpower policy as are the matters discussed in the next subsection. Such a shortfall could be remedied by amplification of resources for, and attention to, elements in the present manpower programs (particularly in the on-the-job-training area and the experiments with job-vacancy reporting and labor-requirement surveys) already in experimental operation or under serious consideration.

Limited Relevance to Overall Economic Stability and Growth

The relevance of American government action labeled "manpower" to overall economic stability and growth has been more the subject of academic discussion than of official planning and performance. This is not surprising considering the concept of the mission of such action which has become dominant. That relevance will become operational only when the target groups for such action are defined by reference to their significance for the contribution their employment can make to the nation's economic strength and progress as well as by reference to their degree of need; when interest in efficiency and productivity of the employment relationships, as well as in social welfare, becomes manifest in program objectives; when the problems tackled concern the national, as well as local, labor markets; when the attention focus and action by the manpower authorities are stimulated by the emerging problems of the nation's life on which labor market resources, organization, and operations have an impact;

and when those authorities have a recognized status and decisive power among those dealing with other aspects of economic life for the nation and for individuals.

It will require a major enlargement of the concept of the objectives and mission of American manpower policy to accomplish these changes in concern, emphasis, and direction. The seeds for that enlargement are present in some of the current efforts and in the concepts of manpower policy *potential* in the minds of a number of those whose decisions and actions determine the pattern of manpower practice.[28] The seeds can be given the chance to germinate and become fruitful only if adequate and active attention is given to the considerations set forth below. One consequence of the dominant social welfare emphasis in the present concept of the mission of manpower policy is that adequate and active attention to these other considerations has rated low in the priorities of "manpower" authorities.

The Target Groups

The disadvantaged unemployed, if they can be brought into the mainstream of production employment, can certainly produce goods and services not only rewarding for them but beneficial to the whole economy. This is the rock upon which the laudable social welfare objective of present "manpower" efforts to restore to them self-respect and human dignity is built.

But that contribution is possible only if it is integrated into a *system* of employment in which their work is coupled with, and supported by, the work of those possessing what has been referred to as "higher level talents." These include workers in the skilled crafts, in many of which shortages are developing in a tight labor market. I mentioned these workers in the previous section. They include engineers, scientists, and professional people, as well as subprofessional aides and technicians who collaborate with them and make it possible for them to expend their efforts in the creative aspects of their tasks. They include the leaders and managers of enterprise. Taken together, these groups comprise over half of the labor force. Even from a quantitative point of view, their employment is certainly a major element in any comprehensive national system of employment.

Qualitatively the significance of these groups is even greater. Their functions are essential and the key to making effective a whole system of gainful employment relations into which it is hoped to integrate the disadvantaged. They include those whose work is basic not only to the system of employment relationships but also to the invention and development of products, tools, market-ing methods, managerial practices, financial resources, organizational and administrative techniques, etc., which are the foundation for an adequate demand for labor. They are those whose efforts and productivity provide the basic factors which must be integrated with factors involved in monetary, fiscal, trade, investment, income, and other policies to maintain overall economic stability and growth. They function in those occupational and vocational areas where manpower shortages inhibitory to economic and social progress are most likely to develop. They include those whose position in the power structure makes their decisions and activities influential, if not controlling, in determining the extent to which overall employment and manpower policy and programs can be made effective in increasing the employability and productivity not only of the disadvantaged, but of the total labor force. They are among those whose investment in occupational skills will be seriously and extensively affected by automation and cybernation. And they will be the ones whose creative talents will be responsible for that technological advance. They are the ones in whom private and public employers are naturally most interested from the point of view of the efficiency and profitability of their operations. Attention to their needs, development, and utilization provides, therefore, a most likely natural focus for cooperative efforts between government and private determiners of manpower policy and practice.

---

[28] The most recent evidence of attention to these matters is found in Study Papers Nos. 1 and 4 in *Studies by the Staff of the Cabinet Committee on Price Stability*, 1969, and in the expressed interest of Secretary of Labor George P. Shultz in a comprehensive manpower policy.

There are only two possible justifications for excluding from the central concern and action of governmental manpower policy the problems of development and utilization of such high-talent human resources. The first is that these people can take care of themselves. The second is that the responsibility can safely be left to the country's institutions of higher education and to the training efforts undertaken, in self-interest, by private and public employers. Given these assumptions, it appears reasonable to allocate scarce resources predominantly to those labor force groups whose development cannot count on such advantages.

If the normal processes of private individual and institutional effort produce employment results adequate for the nation's economic strength and growth, the plausible pragmatic approach might well be to let well enough alone. But is this the case? The testimony of a number of competent observers raises some doubts.

Government agencies attempting to carry out the mandates of Congress with respect to aid to the disadvantaged find the supply of higher talent manpower for staffing their operations inadequate. A recurring theme in the responses of the manpower administrators to whom I addressed a request for comments is that an inadequate supply of trained staff is a handicap to effectiveness and efficiency in the administration of present manpower programs. Competent and well-trained higher talent personnel are not available in sufficient numbers to deal with the complexities of economic, sociological, psychological, and political factors involved. If this is the case in a program within the narrow operational field presently assigned to manpower policy, how much more severe would the situation be if the boundaries of that field were expanded to comprehend a much more broadly conceived mission?

The reality of short- and long-term shortages in high-talent manpower is frequently stressed by knowledgeable observers. For example, consider the following three comments. The first is Frank Cassell's listing of a number of trends constituting a challenge to higher education — and, I would add, to the manpower authorities.

> The first trend is the long-term and rising shortage of high-talent manpower. The technology (and this includes coping with the complex problems of living in a modern society or running a business) is already beyond the reach of many of the current generation of business and government leaders.
>
> In such fields as aerospace, missiles, electronic and electrical equipment, and nuclear energy, an engineer's knowledge can become obsolete in ten years. The long-term shortage is, therefore, compounded of rising increasing demand for more and more people with more and more recent knowledge.
>
> The second trend is the widening spectrum of occupations in the high-talent category. This has diffused the competition for manpower among a vastly larger number of high-talent occupations. Today there are twice as many groups in the occupational classification structure for high-talent occupations — professional, technical, and managerial — than there were even ten years ago. The rise of new occupations is creating competition with the older and more traditional jobs. The occupations of business are receiving stiff competition from the professions and from such service fields as education, health, and social welfare. . . .
>
> The third trend or development is the Nation's determination to fully employ its people and to bring an end to poverty. We want almost everyone to at least graduate from high school. This adds to the already high demand for manpower in the education field. Furthermore, this effort to educate everyone creates a shortage of specialists who can cope with educationally disadvantaged people.
>
> These new demands by society that everybody be included regardless of capability are creating the need for more and higher talent more recently trained and educated, which further compounds the shortage of high-talent manpower. . . .
>
> The fourth development is the demand by our people to raise the quality of life in the United States. Just as we want higher education of one form or another to be within the reach of all of our children regardless of their economic condition, we also want our diminishing living space to be more comfortable, cleaner, and purer. We want to stop the deterioration and decay of our cities. We want our people to live more peaceably together and

> to have more respect for their neighbors' rights. We want to conserve that which adds beauty to our lives and build institutions which add diversity to everyone. We want to provide theater and opera and all the cultural advantages a poor society could not even begin to think about, but which is possible in an affluent society.
>
> To realize these dreams, requires the spawning of hundreds of new occupations and careers, all requiring more training and education to respond to new complexities arising out of new knowledge.
>
> In a real sense, the broadening scope of occupations and careers will fulfil more completely than ever before for more people their wide range of needs, abilities, and life desires. Simultaneously, this growth in career options arising out of expanding knowledge, growing technological complexity, full employment, the drive to end poverty, the extension of full and equal opportunity to all citizens, and the effort to raise the quality of living, increases both the short and long-run competition for talent.[29]

Edward A. Robie, Vice President, Personnel, Equitable Life Assurance Society of the United States, as reported in *Manpower Tomorrow,* stressed a similar manpower need.

> Domestic and international trends point to two intensifying personnel shortages: (a) "highly creative, innovative types" and (b) "people with a high degree of competence in leadership." The need for such inventive and managerial talent "is growing in almost geometric proportions."
>
> The shortage in the second category will be especially severe. The gap between "opportunity for innovation" and the supply of "gifted people," the first variety, is evident in "the political, economic, and social fields." The leadership gap, however, is "perhaps even more acute and somewhat less obvious":
>
>> We must have enough decision-makers to accomplish what the academicians and the research people think and write about. It is almost getting to the point where the new expression, "where the action is," connotes more where people discuss issues than where they resolve them.[30]

Another observer from the world of business, Dr. Walter E. Hoadley, as reported in *Manpower Tomorrow,* commented:

> While attention is understandably focused on the plight of the unskilled in an economy that experiences continuing and substantial technological change, "an even greater crisis may develop at the other end of the spectrum of skilled workers — namely, senior management." The problem that

---

[29] See footnote 3, pp. 71ff.

[30] Irving H. Siegel, ed., *Manpower Tomorrow: Prospects and Priorities* (New York: Augustus M. Kelley, 1967), p. 196.

> is envisaged involves both the supply and quality of managerial skills to meet the proliferating challenges of organizational and environmental complexity.
>
> The rise of productive efficiency in general has entailed an increase in "the decision-making load on senior executives" — and on middle management too. More information is needed for the leadership of public and private enterprises, and the range of potential choices becomes even greater. As government calls on private management for increasing participation in the public realm, the time available for business decisions necessarily diminishes.[31]

Because the origin of public concern leading to postwar manpower programs in both Europe and the United States was the observed plight of the unemployed who were just one jump ahead of the bill collector, it was natural that the relevance to those programs of the situation with respect to high-talent human resources was considered secondary. The assumption that workers at this level could take care of themselves was on the whole verified by experience. The assumption that the development of high-talent manpower, if a government concern at all, was the responsibility of the institutions in the nation's system of higher education was consistent with the fact that government was making substantial funds available for the support of such institutions and their students. The reasoning was plausible and persuasive, and I shall not here argue its merits pro or con.

It is, however, relevant to point out, that one consequence of the limited concept of the mission of manpower policy developing in the United States has been to perpetuate this point of view. Although government financial support for the development of high-talent manpower has been duly reported in the Manpower Reports to the President, the monitoring of the degree to which the government's expenditures in this area were serving the nation's overall quantitative and qualitative needs for high-talent manpower has not been systematically undertaken. The initiating of proposals (other than that a larger dollar investment in higher education be made) for meeting these needs has been sporadic; and the initiative has come largely from others than the "manpower" authorities. The consequences of the actions of other agencies of government for the nation's overall manpower situation (e. g., the impact of the removal of draft deferments for graduate and professional students) have had little attention. In other words, the higher talent manpower issues have not been a central and continuing concern of the "manpower" authorities.

---

[31] *Ibid.*, p. 180.

Focus on Local Manpower Problems

Another consequence of manpower policy focused directly on helping disadvantaged individuals is that attention and action are inevitably focused on the locality where the individuals live. From the point of view of aid to those individuals, this makes good sense. The manpower problems which are national in scope seem of academic interest to those administrators whose problems are so clearly rooted in the immediate environment which has handicapped individuals in their ability to find and to do work. That is not only "where the action is," but where action is needed, given this concept of the mission of manpower policy. Action with respect to organizing and managing a national labor market is recognized as needed to make localized action truly effective, but the concern is with what "ought to be done" rather than with doing it.

In a nation where there is so widespread resistance to increased involvement of the federal government in the conduct (though not the financing) of local effort, the conviction that "the home folks" know best what they need is reinforced by the fact that they probably do in the carrying out of a manpower policy intent on reducing the disadvantages of the disadvantaged. Attention to the problems of the national labor market receives consequently low priority in the total effort.

What Are Manpower Issues?

If manpower policy is to have a major relevance to, and a major impact on, the nation's economic stability and growth, there are a large number of questions which demand continuous and action-based attention. It cannot be alleged that these questions have not been raised and discussed by manpower authorities in government, by social scientists in the academic world, and by leaders in industry and labor. It can be alleged, however, that one of the consequences of focusing mainly on one of these questions, "How can disadvantaged unemployed be brought into the mainstream of self-supporting employment?" has been a limiting of action-based answers to larger questions of equal or greater significance.

In part this results from the fact that the target populations for present manpower programs are so restricted as to have little impact on the global problems of overall employment of the nation's manpower resources, and on the quantity and quality of the product of the employment relationships upon the nation's economy. Another reason is that the problems raised by these questions appear remote and even irrelevant to the task of gearing "manpower" actions to the specific needs of individual disadvantaged persons. Another reason is that the latter task is so overwhelmingly difficult in its own right that little time, energy, and financial resources are left over for adaptive action in other areas.

Simply to list some of these questions will illustrate and underscore these observations.

1. What changes in public and private activity affecting the preparation of persons for work, the demand for their services, and their movement into particular kinds of work can be expected to result from:
   a. A successful attempt to maintain an employment level leaving an average of only 3 percent of the labor force unemployed?
   b. The already evident trends in the development of new forms of technology and the consequent changes in the pattern, structure, and advancement possibilities in resulting occupations?
   c. The difficulties to be faced by workers at all levels in keeping abreast of the rapidly expanding knowledge and skill required for productive and rewarding employment in a working environment subject to dynamic change?
   d. The rapidly changing proportions of the labor force employed in the several sectors; for example, agriculture and mining, manufacturing, and the service industries?
   e. The changing proportions of the labor force engaged in blue- and white-collar occupations?
   f. The changing balance in employment between public and private areas of work?
   g. The dual trends toward centralization and decentralization of job-providing enterprises, and the direct or indirect extension of centralized managerial control?
   h. The lack of coincidence in the movements of people and jobs; in the building of places to work; and in housing, transportation, and other community facilities enabling workers to live within a reasonable distance from where they work?
   i. The "brain drain" to or from the United States?
   j. The changing role of the United States in international economic and political and military involvements?

2. What adjustments and adaptations in government action with respect to labor market resources and operations are and will be required by such developments?

3. How can full employment be reconciled with desirable wage, price, and productivity results?

4. To what extent can manpower policy remove obstacles to the operation of a free market and to what extent does it necessarily involve regulation of free market forces and participants?

5. To what degree can manpower policy contribute to a better balance of economic activity among the several regions of the country?

6. What is the probable effect of alternative measures associated with manpower policy on:

a. The distribution of income?
b. Productivity in particular sectors?
c. The increase or decrease in monopoly advantages for particular enterprises and for particular groups of workers?
d. The maintenance of the merit principle in civil service employment?
e. The diminution or increase of productivity and efficiency in public services as well as in private industry?[32]
f. The amplification of opportunities for, and competition within, private enterprise?
g. The issues in the conduct of, and the balance of power between, parties in collective bargaining?
h. The internal employment and personnel practices of private and public employers?
i. The organization and policies of trade unions?

7. To what degree have measures associated with "welfare state" raised the price which society has to pay for the mobility of labor essential to its economic stability and growth, and how much of the cost of mobility is appropriate or desirable for government to assume?

8. Is manpower policy an appropriate concern of government in periods of boom and labor shortages, as well as in periods of low economic activity and labor surplus; and is it an appropriate instrument for reducing, as well as stimulating, economic activity?

9. What are the appropriate reciprocal roles and what are the mutually interactive effects of manpower policies and of other economic policies such as fiscal, monetary, trade, income, investment, and urban and regional development? The same or different in periods of expansion and restraint?

10. What are the appropriate reciprocal roles and what are the mutual interactive effects of manpower policies and of other social policies such as those relevant to elementary, secondary, and higher education; public health; vocational rehabilitation; public assistance and relief; and civil rights?

---

[32] In connection with this point it is relevant to quote the warning given by William Papier, Director, Division of Research and Statistics, Ohio Bureau of Unemployment Compensation (see footnote 30, p. 192).

> Hiring, keeping, and compensating manpower on any basis other than merit will inevitably lower the quality of products and services and also increase their costs. Waste and inefficiency, sanctioned and subsidized directly or indirectly by government programs and pressures, will become widespread. The not-for-profit segment of the economy, particularly government service, will be financed, and pressed, to absorb greater and greater shares of those who are least employable. State and local government service, sorely in need of wholesale infusions of superior talent, will find their shares of marginal workers rising instead. The quality of services rendered will further deteriorate as forced featherbedding and corrosive cynicism permeate the labor force. The moral fiber of our manpower will be weakened.

11. What mutually beneficial results can accrue to manpower measures and those associated with social insurance protection of workers against the hazards of employment, disability, and accident from a synchronization of those measures?

Minimal Relevance to Concerns of Other Economic Policy Agencies

The last four questions posed highlight another consequence which weakens the potential of present manpower policy to contribute directly to the economic strength and growth of the nation. The analysis, planning, and action required for a program increasing the employability and employment of the disadvantaged are clearly a contribution to the problem solving of those responsible for carrying out the policies related to public health, public assistance and relief, civil rights, vocational rehabilitation, and, to some extent, to education, particularly vocational education. Traditional methods, points of view, and arrangements for financing the efforts of the administrators of these public services present problems in the coordination of their efforts with the manpower agencies, but the close relationship of their social objectives and the interdependency of their efforts are so clear that these problems are not insurmountable.

That is not the case with economic policy agencies. If manpower policy encompassed in fact the problems of employment of the total labor force in a national labor market, with an emphasis on preventive action equal to that on remedial action, the case would be different. The relevance of the efforts of those responsible for implementing manpower policy to the efforts of the others would be clear, and the reciprocal impact of the actions taken by all of them would be obvious. When it is well understood, however, that Congress and the Administration have authorized, and the leading manpower program administrators have accepted, the mission to concentrate their attention on the disadvantaged unemployed, those concerned with fiscal, monetary, trade, investment, income, urban and regional development, and military policies may be excused for saying, "What significance does manpower policy have for our task?" I am not aware of any statement from such sources as bold and icy as that. But in conversations with some of them, I sense an assessment of the utility, for their purposes, of close collaboration with the manpower authorities as about equivalent to close collaboration with the Salvation Army.

How different is the status of the Labour Market Board in Sweden where, in spite of some well-suppressed resentment that the Board has been given a privileged position among the agencies concerned with overall economic policy, few moves are taken without considering and giving decisive weight to the evaluation of the labor market impacts of those moves by the Board, and without the synchronization of each economic policy move with the responsive or compensatory activities to be undertaken by the Board.

Limitations on Policy Expansion

The limitations on the contributions of manpower policy, as at present conceived, to national economic stability and growth are recognized by the formulators and implementers of that policy. Their recurrent reply to criticism is, however: "Give us time. This is only the beginning. First things first. The problem of the disadvantaged unemployed is the most pressing at this time. Besides, what is being done has the greatest fallout impact on the reduction of the social unrest which we face, and particularly on the nation's number one problem at the moment, the upsurge of Negro resentment against the inequalities suffered by the nation's nonwhite people. Moreover, the heavy emphasis on remedying the situation of the disadvantaged youth is a major contribution to future economic strength and human well-being. It must be remembered also that the idea of a manpower policy as a definitive area of government activity is of recent origin, and it is a major step forward that it should have become a central concern of bipartisan legislative effort. The motivation of our political leaders, rooted in the conscientious concern for the disadvantaged and the poor, has been made manifest in the succession of manpower measures in the last seven or eight years. As a result, manpower policy has become a major focus of government action which can be expected to expand and to deal with a broader range of labor market problems. The ramifications and significance of the manpower problem are understood now better than earlier, and the extension of the manpower program to embrace more comprehensive objectives, germane to the interests of the entire labor force and to the achievement of full, productive, and growth-stimulating employment in the total economy, can reasonably be expected to develop."

This prophecy of coming events will hopefully be realized. There is one consequence of the present concept of manpower policy and its evolving *de facto* mission, however, which creates a hitch in the process of such a development in the near future. Once the present limited meaning of manpower policy has become fixed in the public mind, it establishes boundaries for action on manpower problems — boundaries consistent with that meaning. The premises upon which evaluations of success or shortcomings are based, both from inside and outside the government, are those consistent with the concept. Rewards and penalties for good performance are geared to success or failure in meeting the standards derived from these premises. Attention, energies, and projection of the next steps needed are focused on developing ways better to perform the tasks relevant to accomplishing the mission implied. The inclination of Congress and the Administration to support development of measures related to manpower policy is shaped by their ideas regarding the significance of the mission as defined and regarding what the impact of carrying it out will have on their particular interests. Hence the limited concept of the manpower policy and function, once it is generally accepted as a guide to action, works to perpetuate the kind of policy implicit in what is now being done. This is not a policy which pushes action out to establish and develop a wider frontier territory. Those who have private interests in keeping government action from impinging on operational fields which they consider their own insist that any enlargement of the operational field for manpower activities is inappropriate since it goes beyond the field whose boundaries are marked out by the limited concept.

It is not difficult to find evidence that these consequences have attended the development of a *de facto* concept of the mission of manpower policy as one of increasing the employability and employment of the disadvantaged persons who are, or hopefully about to become, members of the nation's labor force, thereby reducing chances that the present manpower policy will develop naturally into a more comprehensive employment policy.

The congressional hearings and debates concerning modification in the Employment Service are one example. Because the Employment Service is the key agency in implementing any manpower policy which is broadly conceived and designed to make the nation's system of employment more efficient, more productive, more secure, and opportunity-providing for all workers and employers, and more effective as an instrument of national economic strength and growth, the concept held by politicians, employers, workers, and the public of the appropriate mission of the Service reflects the concept held of the objectives of manpower policy itself. The hampering effect of this concept of the appropriate mission of the Employment Service on the widening and deepening of its objectives and functioning can be expected to be repeated in the case of the whole manpower effort of which the Employment Service is so significant a part.

Efforts of leaders of the Service and of task forces established to suggest expansion and improvement to make its performance equal to its potential as the key labor market and manpower agency of government have met with powerful arguments from influential Congressmen that such expansion and improvement would carry it beyond the boundaries of its appropriate operational field. "Shoemaker, stick to your last," was, for example, the theme of the opposition to the enlargement of Employment Service clientele to include not simply the unemployed on the lower rungs of the occupational ladder, but those desiring its services in any occupation, whether they were employed or unemployed.

A few years ago when the Employment Service offered to cooperate with college placement officers by furnishing information on labor market trends, and by enhancing college placement efforts by submitting for consideration any available job opportunities of which the Service was aware, it was attacked by the Association of College Counselors as "trying to take over our job" and as stepping outside of its appropriate field of action.

The Association of Private Employment Agencies, attacking a bill in 1966 to strengthen the Employment Service as the key agent in a manpower program, was adamant on excluding "recruitment" from Employment Service functions. The Association urged that the Employment Service stick to its proper role as a special service to the disadvantaged. Among other things, the Association recommended that any new legislation stipulate that the Employment Service should:

1. Operate an effective placement service for the unemployed, disadvantaged, and others in unique need of its specialized service.
2. Not directly or indirectly recruit employed applicants.
3. Concentrate its efforts on, and give priority to, the referral of people to the proper governmental or private organization qualified to rehabilitate the employability of the disadvantaged and thereafter place them.

This "public assistance" conception of the appropriate function of the Employment Service is of course rooted in its long history as an instrument for placing the unemployed in the less skilled occupational categories, originally in relief work, and then as an adjunct of unemployment insurance. But the function assigned to it in connection with present manpower programs emphasizing services to a disadvantaged clientele has perpetuated and strengthened that conception.

Moreover, if the function of manpower measures is considered to be primarily one of relief for the unemployed, the public financial support for those measures can, in the long run, be expected to fluctuate with the proportions of the labor force unemployed at any time — enlarged appropriations when the unemployment rate is high and reduced appropriations when the unemployment rate falls. The possibilities are thus restricted for developing aspects of manpower action which are concerned with the equally important problems of adapting labor market resources and facilities to technological change, of achieving the most balanced and effective distribution of the nation's industrial activity and the labor to perform the tasks required, of reducing the impact of labor shortages, and of improving through continuous training and upgrading the quality of employment and the possibilities for maximum productive utilization of those already employed. Were it not for the obvious relation of the concentration of unemployment among youth and the nonwhites to civil disorders in recent times, the tendency toward undependable, discontinuous support which was observed prior to the sixties would no doubt reassert itself at the present time with the declining overall unemployment rate.

But it is not only government officials whose concept of the appropriate mission of manpower policy provides help or hindrance to future enlargement and a whole-task-oriented work of the relevant agencies. One lesson of experience which has finally given direction to a major emphasis in present manpower programs is the absolute necessity for cooperation from employers in providing jobs and training for those disadvantaged individuals who were being trained or retrained. Supply without demand does not produce *employment.* It is natural that the translation of such a lesson into action should be delayed when the concept of manpower policy mission placed primary emphasis upon the development of human resources, that is, on the supply factor in the labor market. The synchronization of supply and demand efforts is equally important in any manpower program directed toward making more productive and secure the employment opportunities for the entire labor force. High hopes are expressed that the JOBS program (the efforts on behalf of the disadvantaged undertaken by the National Alliance of Businessmen) indicates a major breakthrough in implementing that cooperation. But note that the breakthrough, if it occurs, will emphasize in the minds of employers that they are cooperating with a government "manpower" effort to remedy the plight of the disadvantaged. That is good in itself. It will not, however, create confidence that the government's manpower efforts are directed toward collaboration with employers in the solving of *their* manpower problems related to the employment of that portion of their labor force on which they count for the overall effectiveness and efficiency of their productive and profitable operations. As the administrators of the Employment Service are aware, the image of a government service as one of assistance to the less employable handicaps any effort to obtain enthusiastic and regular use of that Service by employers.

The concept that the mission of manpower programs is to be an effective instrument of public assistance hampers the progress of those programs toward achieving a more comprehensive employment goal since workers in search of good available jobs and employers in search of the best available workers have no confidence that the training and placement facilities in those programs will provide what they are looking for.

Unrealized Potential Aid to the Disadvantaged

The above-named consequences are related to the difficulties placed in the way of the establishment and maintenance of a manpower policy which aims at achieving national economic and social objectives beyond improving the lot of the disadvantaged. They may appear at first glance, therefore, to be of less significance for the removal of barriers to the employability and employment of the disadvantaged than consequences which point to inadequate or ineffective services supplied *directly* to disadvantaged unemployed individuals. From one point of view, however, the two kinds of consequences are of equal importance, even if the dominant objective is to better the employment condition of the disadvantaged.

Putting the matter positively, measures to meet the particular employability and employment needs of the disadvantaged necessarily support, and are supported by, concurrent measures to train, upgrade, make more productive, allocate, and utilize more effectively the entire labor force including the employed;

and to deal with the factors, processes, facilities, and organization of the entire national labor market. Putting the matter negatively, a consequence of concentrating predominant attention on the disadvantaged unemployed, to the relative neglect of manpower effort in the more comprehensive sense, is to reduce the possibility of adequate service *even for the disadvantaged.*

The basic reason for this is that employment is a *system* into which a particular employment relationship must be integrated, whatever degree of advantage or disadvantage may characterize the actual prospective employee.

Government aid to the employability and employment of youth, the less educated, the Negro, the Puerto Rican, the aged, the long-term unemployed, the physically and mentally handicapped, the prison parolee, the Indian, or the member of a poverty-stricken ghetto family of course requires special techniques and procedures different from, and more difficult than, the techniques and procedures needed in the case of those who normally make it on their own. But the latter predominate in the labor force. Their numbers, abilities, competence, and predispositions brought into working contact, by the normal labor market operations, with the number, nature, and quality of jobs available determine the character of the *system of employment* into which employment for the disadvantaged must be fitted. And the productivity and growth of that system of employment determine how many openings, and what kind, can be found for the disadvantaged. To underemphasize the manpower problems relative to this vast majority is to underserve the needs of the disadvantaged, the requirements and opportunities for whom are derived from the way the whole system of employment functions.

The relation of a comprehensive approach to the overall manpower problem to adequate service to the disadvantaged was well put by Frank Cassell, formerly Director of the United States Employment Service.

> We must have double resources because the Employment Service cannot be an effective viable organization if it only deals with the disadvantaged. It has to provide a whole range of manpower services to employers, especially small employers, who need them and to the high skilled and the low skilled as well as the unskilled.
>
> The Employment Service should be the operational arm of the Manpower Administration; its goals are broader than simply matching people and jobs or getting jobs for the people who are hard to place. I think in terms of maximizing the total manpower strength of the Nation. As a manpower institution, we should and must cover the whole range of occupations and, in addition, we should ultimately provide the services which enhance the skills and the abilities of people to get and hold jobs. Another goal is to make it possible for all Americans to have equal opportunity in applying for and obtaining jobs.
>
> Now it may be true that the Employment Service works in the area of

the least skilled jobs and the least skilled people. However, it is moving into higher skill areas. I'd like to think that we can approach an employer and say, "Look, we will work with you at all levels." We know that the offices that do the very best in job development for the disadvantaged also serve well the broad spectrum of skills.[33]

We have already considered another consequence of predominant concentration on the problems of the disadvantaged which makes their integration into the work force difficult. Since placement in employment cannot be made without employment offers from employers, the conception held by employers of the manpower training and placement function as providing them with a source of chiefly marginal labor will in the long run reduce their voluntary use of those services for satisfying their manpower needs. What initially appears to be a practical employer concern for making a special effort for the disadvantaged may make that effort increasingly difficult as the employers become less inclined voluntarily to turn to the output of government training programs and the rosters of the Employment Service for workers.

For the moment an encouraging sign is the cooperative inclinations on the part of American employers to shoulder a major responsibility for training and employing those disadvantaged who have become the major concern of government manpower programs. This reveals an extension, among a large number of employers, of a sense of public responsibility found since the beginning of the industrial revolution among a minority. It may prove that experience with manifesting such a sense of responsibility in performance will verify the rhetoric of those promoting this move — that a special concern for the disadvantaged is "good business," especially in the light of the government's commitment to bear the unusual costs of training and employment of those whom employers, in self-interest, are not normally inclined to employ except in an unusually tight labor market. It could be that the level of unemployment will remain so continuously low that the disadvantaged are the only remaining source of available labor. It is not unreasonable to suggest, however, that the dominant motivation of employers, in their search for employees in a highly competitive economic system, will be to select out, rather than include in, those who by definition are considered, whether from prejudice or from experience, to give least promise of productive and profitable service.

The concentration of manpower policy attention on the problems of the disadvantaged may also have an unfortunate effect (for the hard-to-place) on the acceptability of that policy to the other participants in the system of employment — the workers who normally make it on their own. Such a concentration in effect introduces discrimination in reverse into the manpower program. It is a plausible justification for such an emphasis to point out that equality of opportunity in the present requires a recognition of the need for a special effort to

---

[33] See footnote 3, pp. 11, 12.

"make it up" to the disadvantaged for discrimination against them in the past. As long as job opportunities can be kept increasing as rapidly as, or more rapidly than, the numbers entering the labor force, and cyclical and seasonal downswings are kept under control, the issue will probably not become critical. But effective service for the handicapped would be hampered were acceptability of the principle of reverse discrimination to decline among those whose numbers give them political power.

Another consequence, the long-range effect of which cannot be calculated, is the awareness by the disadvantaged themselves that, in the effort to implement their "right" to equality of treatment, they have been set apart as the object of *special* treatment and marked as a special class. One of the laudable declared purposes of the present manpower policy is to bring those who have for some reason failed to be integrated into the mainstream of American work and life into that mainstream. That result involves the psychological recognition of such a "mainstream" status, not only by those already in the mainstream, but by the disadvantaged themselves. Does a program which makes the latter so predominantly the specifically named target group for the government's manpower policy contribute as much to that result as a program which directs attention to the total labor force and the entire national labor market? In my judgment it is doubtful.

The target population under present policy is labeled in a way which acknowledges its separateness from the mainstream of American life. In the mind of employers, in the minds of workers who somehow have made it on their own, in the minds of successful and well-heeled and well-educated Americans, in the minds of the children of the beneficiaries, as well as in the minds of the beneficiaries themselves, an image of the manpower services has been created. And that image is as clear as if over the door of every Employment Service office, every training center, every Community Action office had been placed a placard, "*Service Center for the Disadvantaged:* All you who for any reason can't make it on your own may apply here for the receipt of benefits provided by the generosity of those who can and who have made it." That realization enters into and becomes a part of their self-image as the members of a second-class division of American society.

It is clear that many already have that image of themselves, have become accustomed to living with it, and, in their condition of frustration and need, are glad to experience relief from their economic and social difficulties. And, regardless of the impact on their self-image, the opportunity provided can contribute to a betterment of their economic and social circumstances. But this is a far cry from the idealistic and bold assertion that the services aim to bring them into the mainstream of American work and life, and that it is the obligation of government to make the achievement of that right possible.

There is no reason why special efforts for, and limited to, the disadvantaged should not be made by religious and other voluntary organizations of private citizens, by socially conscious employers and educators, or individuals. And there is little doubt that government must, from its interest in self-protection as well as in response to the legal responsibilities laid upon it, meet the needs of the disadvantaged in the population. Moreover, it is clear that there are better and worse ways of meeting these needs both from the point of view of efficient operations and of maintaining the dignity and self-respect of those in special need, and that the present manpower programs give promise of being a better way than the traditional forms of poor relief.

But a special requirement of action by government, which belongs equally to all the people, is that the services shall be perceived as those provided for all citizens *if the aim is to integrate all into the mainstream of American work and life* and to promote among those in special need a sense of unity with, and not separateness from, that mainstream.

It is inevitable that the largest group of beneficiaries of government programs will be the unsuccessful and the disadvantaged, and that this fact will impose on administrators of the programs a need for the development of special techniques of operation to meet this challenge. It is probable that appropriate among these special techniques will be what has come to be called "outreach," that is, seeking out and identifying the characteristics and needs of those who could use the service, but who because of ignorance, lack of ambition, or lack of confidence, do not themselves voluntarily seek out the services. It is also desirable to bring the center for the services into the areas where the disadvantaged live. As long as these special efforts are carried out as a part of an overall service available to, and utilized by, all citizens and set up to serve the needs of all citizens regardless of their qualification as disadvantaged or advantaged persons, the former can seek and accept the services without loss of dignity or self-respect.

Manpower Policy and the "War on Poverty"

Finally, as a consequence of a manpower policy emphasizing so predominantly the problems associated with the disadvantaged unemployed who are below, or on, the borders of poverty, must be named the danger that the mission of that manpower policy will be conceived merely as an adjunct of the "war on poverty." There is in my judgment no greater threat to the ultimate establishment and implementation of either a sound national employment and manpower policy and practice or to the development of a sound public assistance and relief-of-poverty program than confusing the objectives of the two and confusing the functions of the agencies charged with achieving those objectives. Let me be very clear: both functions are surely the responsibility of government. At many points they supplement and support each other. But each has its unique problems, its unique objectives, its unique approach, orientation, and procedures, and its unique requirements for the kind of personnel who can do the tasks required and who can deal with the institutions and people who can contribute to the solution of the problems.

The relief-of-poverty effort is most appropriately carried on according to the canons of the profession of social work and case work, although those trained in this approach cannot be expected to have competence in the conduct of efforts related to the maintenance of systems of public health, physical and mental rehabilitation, education, and legal aid so frequently needed as a part of the relief services. They must turn to specialists in those fields for cooperation. Nor can they be expected to understand the complexities of the labor market, the training of people in working skills, and the development of work opportunities. They must turn to the manpower specialists for cooperation. Their basic function is to analyze, case by case, the many causative factors impinging on economically, psychologically, or socially distressed individuals or families. They then try to marshal and integrate remedial factors which will restore individuals or families to a self-respecting and self-supporting economic, psychological, and social status. Unemployment is only one of the causative factors, and work is only one of the remedial factors with which they are concerned.

The manpower effort, on the other hand, is most appropriately carried on according to the canons of labor market analysis and practice directed toward (1) reducing the imbalance between the capacity and availability of people for work and the requirements and availability of jobs, and (2) improving and making effective use of the facilities for bringing the two together in productive employment. Its approach is to marshal the facilities available for getting the most productive possible employment relationships established — productive to be sure from the point of view of economic security and job satisfaction of workers, but also from the point of view of their maximum contribution to the supply of goods and services required for national economic strength.

Each type of effort therefore is, in some respects, more broadly oriented and, in other respects, more narrowly oriented than the other. In any case they are not the same. Confusion regarding the operational field, objectives, strategy, and tactics of these two efforts reduces the effectiveness of both.

Confusion very naturally arises, first of all, because the persons who constitute the clientele of the manpower and of the relief-of-poverty agencies are sometimes the same individuals or are members of families one or more of whom are the recipients of the benefits provided by both types of programs. It arises in the second place because of the tendency to focus attention upon only one aspect of the relationship between the establishing of employment relationships and the relief of poverty. Since poverty is defined as a lack of a certain level of income, and since the chief normal source of income is wages and salaries from jobs, it is natural enough to arrive at the conclusion that the manpower programs designed to facilitate employment have as their primary job the reduction of poverty, and that their scope and operation should be guided solely or chiefly by that job description.

These obvious relationships are not, however, an excuse for shaping, testing, and supporting the manpower policy and program primarily by reference to the criteria for success of a relief-of-poverty program or by reference to the number of families it moves out of a poverty status. The causes of poverty are many, only one of which is unemployment resulting from imbalance between the quantity and quality of available workers and the quantity and quality of available jobs, and from inadequate private and public facilities for relieving that imbalance. Causes of poverty include temporary or extended illness, broken homes, one- or no-parent homes, meager or poor education, alcoholism, mental inadequacy or imbalance, poor work habits, low motivation, social disintegration, racial discrimination, emotional frustrations, character deficiencies, entanglement with financial institutions or loan sharks, casualty losses, death, unhealthful and inadequate housing, mixups with legal and administrative authorities, inadequate provision for old age, or the physical and mental ravages of military service.

Many private and public agencies and institutions, in addition to those administering public assistance, deal with the facts of life which have a bearing on these causes. Among these agencies and institutions are medical centers, hospitals, public and private schools and colleges, juvenile and family courts, churches and Sunday schools, public housing and urban development agencies, the banking and loan system (including the Federal Reserve Board), insurance companies, senior citizen and golden age clubs, and the Veterans Administration. Such agencies and institutions, like those associated with manpower policy, have many clients who suffer from poverty; moreover, the way in which their services are administered will, in many cases, have a determining effect on whether such persons continue to suffer from, or escape from, poverty.

But note this. These agencies are not expected to operate on the basis that relief of poverty is the main measure of their success or on the basis that it provides the organization, an action framework for, or any limitation on, their efforts. What would be the effect on the development and operation of institutions and agencies such as medical centers, schools, courts, banks, insurance companies, etc., if they were governed and supported primarily by reference to what is required of them in reducing the poverty of those of their clients and customers who have, say, less than $3,000 a year income, or are suffering from certain handicaps with respect to their capacity for using the service involved? And suppose we insist, since their primary purpose is declared to be to eliminate poverty from the face of the land, that they are stepping outside their proper operational field when they gear their operations to service to more affluent or able people or to the unique objectives, standards, and procedures of professionals or managers concerned with that specific area of human endeavor? Or suppose we say that because the things they do are obviously important to the poor, the poor should exercise decisionmaking authority in the setting of their policies and programs?

I hope that the point I am making is clear. It is simply this. Any comprehensive manpower policy, program, and agency obviously will have an impact on the escape from poverty of a lot of people, just as have the other policies, programs, and agencies I've named. It is therefore right and proper that *one* important concern should be to operate so as to contribute in a major way to that result. But the mission and the operational field are not defined by the relief of poverty. The people to be trained and placed in jobs cannot be limited to those in, or on the margins of, poverty; and to those suffering from handicaps, including lack of employment and unreadiness for employment, which make them particularly susceptible to poverty. The need for the development and placement of workers in all classifications from unskilled to highly professionalized and managerial is the problem of manpower supply.

The search for employment opportunities cannot be limited to the work places of those employers who are looking for disadvantaged workers, or who can be induced by a special campaign to employ such workers. The methods employed and the locations of the service outlets must take account of the disadvantaged, but cannot be limited by such a necessity.

Imbalances in the national, as well as the local, labor market provide targets for corrective action. Preventive as well as remedial action is called for. Collaborating with other policies and agencies affecting both macro and micro factors in economic strength and growth must be premised on the recognition by all that the directors and administrators of manpower policy are specialists and experts in all that is relevant to making the system of particularized employment a solid foundation for the economic stability and growth of the nation and the economic and social well-being of its people.

VII. The Mission of a Positive Manpower Policy

Government manpower policymakers and administrators need to have a clear concept of the mission for which they are responsible if they are to answer adequately these questions: How are we doing? Where do we go from here? How do we get there? The conclusion implicit in the preceding discussion is that the *de facto* concept of mission emerging from the action programs labeled "manpower" in the United States is too narrow to provide a satisfactory criterion for answering the second and third questions, and is useful in answering the first question only to the extent that achievement is measured by the degree of effectiveness in doing what we *are* doing rather than in doing what we *could be,* or *ought to be,* doing. The "manpower" programs launched in this decade to increase the employability and employment of those who have been left out, kept out, or left behind in the system of self-support through gainful employment mark a major milestone in the recognition and acceptance by government of its responsibility to equalize for the unsuccessful few the opportunities for a secure and meaningful working life enjoyed and satisfactorily exploited by the many. In principle and purpose those efforts represent the most significant advance, since the introduction of social insurance, in the alleviation of the causes of poverty and in remedial public service to those who are the victims of the hazards to continuous and secure employment.

But even a maximum fulfillment of that mission does not exhaust the potential benefits of a positive manpower policy to the nation and all of its citizens who work for a living or desire to do so. The narrow mission does not suggest the operational field which needs to be cultivated and the whole set of essential functions that need to be performed if those potential benefits are to be realized. It might be compared to confining the mission of a conservation and water policy for a valley to draining the swamps. Important and necessary as that is, it is only a part of the task.

The definition of the whole is a precarious task. The twin dangers are that the boundaries for action suggested or set by the definition may be too limited or they may be too comprehensive. If too limited, the potential of the action for service to the individual and the nation is unnecessarily restricted. If too comprehensive, the focus for action is confusing and not operationally meaningful.

Nevertheless, since policy implies and requires a purpose, there have been much interest, concern, and discussion about manpower objectives among political, social, and economic leaders, among government officials, and among social scientists. A consideration of their published thoughts on the subject indicates a focus on several questions, the answers to all of which are important in providing clues to a necessary and appropriate mission for manpower policy. Among these questions are:

1. What target group or groups should be served and how?

2. What basic human values are to be served?
3. To what societal problems can manpower programs contribute complete or partial solutions?
4. What is the necessary and appropriate operational field for manpower policy?
5. What specific functions in the cultivation of that field are essentially and appropriately assigned primarily to manpower authorities?

Concern with the answers to each and every one of these questions provides an orientation essential to the development of the concept of the mission of a sound and workable comprehensive manpower policy. Disassociated from the answers to all the questions, the answer to any one question furnishes an inadequate clue to that concept. In my judgment, however, the answers to all the questions follow and are dependent upon the determination of the boundaries and action focus of the *operational field.* In other words, a definition of manpower policy mission by reference to its essential and appropriate operational field provides the clue for an integration of the aspects of that mission whether stated in terms of target groups, support for basic human values, contribution to the solution of basic societal problems, or functions assigned appropriately to manpower authorities.

A brief consideration of these several approaches to the definition of the mission of manpower policy will indicate the reason for this judgment.

Target Group Mission

Sufficient attention has been given to the consequences, both positive and negative, of the approach indicated in the first question, that is, definition by reference to target groups. This is the approach which has characterized the development of the concept of manpower mission in the United States, both in the explicit declaration by manpower authorities and in the implicit assumptions revealed in action taken. It is an obvious requirement of a practicable concept of mission that there should be a definite answer to the question, "Mission to whom?" If the answer to that question is to be integrated with answers which I would suggest are appropriate to the other questions, however, the "whom" will necessarily have to be defined more broadly than the disadvantaged unemployed at or on the borders of poverty and the residents of urban slums or impoverished rural areas.

The alternatives range from the inclusion of the total actual or potential labor force to limitation to specific groups in the labor force expressly disadvantaged in the matter of finding and holding jobs. There is, in my judgment, no basis other than political expediency for defining those eligible as clients of manpower services in terms narrower than the following: All citizens or permanent residents of whatever income level, educational achievement, skill status, occupation or profession, age, race, creed, sex, marital status, or employment experience (employed or unemployed) who have employment potential which is not being used, which is being inadequately used, which may not be used (i.e., become redundant) in the future, which can be used to achieve balance and growth in the economy, or which is being used in ways not consistent with legally established standards of economic or social justice. [34]

Consideration of how such a comprehensive clientele is to be served by government-sponsored or -supported manpower programs raises a related question. What organization premises as to program orientation will lead to the most effective and nonduplicating set of services and institutional facilities? The chief alternatives are an orientation toward client categories, e.g., youth, dropouts, disabled, aged, nonwhite, selective service rejectees, Indians, parolees, the urban or rural poor, hard-core unemployed, higher talent personnel, etc.; or an orientation toward functions and institutional facilities, e.g., planning; monitoring; counseling; placement; training; giving work experience; providing movement, education, and training allowances and grants; job creation; research; information; etc.

The present policy and programs emphasize orientation toward client categories, in part because this is the way in which appeal could be made to the political instincts of legislators. The major shortcomings of this orientation are that overlapping among programs is inevitable, that different standards for the same functional services and institutional facilities are established for different client groups, and especially that the definition of the task to be carried out is influenced by the total life problem (not just employment problems) faced by any specific group. This makes the setting up of orderly guidelines as to the objectives and operations of an employment-system-oriented manpower program difficult.

The advantages of defining the manpower policy mission by reference to client groups to be served are that it keeps attention focused on facilitating a humanly equitable employment experience for disadvantaged individuals, and that it provides a ready and politically attractive reason for legislative action. The disadvantages are that it may prevent the focusing of attention on anything else, and that some such client groups are peculiarly subject to definition by reference to the political payoff for legislative attention to their needs.

---

[34] Professor Fred Harbison's definition of the appropriate target group is similar to this: "In the broadest terms, manpower policy should be concerned with the development, maintenance, and utilization of actual or potential members of the labor force, including those who are fully and productively employed as well as those who experience difficulties in getting work." (See footnote 11, p. 136.)

Support for Basic Human Values Mission

At the other end of the spectrum from the concept of limited mission implicit in existing American manpower programs are concepts of the manpower mission which are nearly as unspecific and comprehensive as "providing the greatest happiness to the greatest number."

To make democracy a reality, not a dream; to promote social welfare; to implement the right of every American to a livelihood possible in an affluent society; to humanize the life of the forgotten among us; to establish justice as a foundation for law and order; to bring a sense of human dignity to those who have lost it or have never experienced it; to bring all citizens into the mainstream of American life and work; to share equally the costs of technological change; to achieve fuller and more productive and humanly satisfying utilization of human resources; to enable every American to realize his full potential and to utilize it fully in his own and the nation's interest; to achieve a full realization of human aspirations — these are some of the phrases which have expressed such global concepts of the mission of manpower policy.

Walter Reuther has provided one such wide-ranging definition, and an appealing one.[35]

> When we speak of manpower policy, we generally think first of full employment — how to create it, how to maintain it. But the proper goals of manpower policy go far beyond assurance of a job for everyone willing and able to work. The job must provide a useful and rewarding outlet for the worker's highest capacities. The work environment must promote dignity and self-respect. The work must offer opportunity for development and advancement. The job must pay a decent wage and insure the maintenance of income when the worker is unable, or denied the opportunity, to continue at work.
>
> All this, however, is still only part of the story. Manpower policy is, or at least should be, concerned with the nature of work and the elimination of its discontents; with the preparation of human beings for creative and constructive activities and for the enjoyment of leisure; with swift and painless transition from one job to another in an economy in which advancing technology is constantly changing the educational and skill requirements for work and the occupational, industrial, and geographical distribution of employment opportunities. Manpower policy must also be concerned with the disadvantaged individual and the disadvantaged community — with breaking down the barriers of prejudice, with provision of opportunities for the handicapped, with preventive as well as therapeutic medicine for personal or area distress.

---

[35] See footnote 30, pp. 31-32.

> Most of all, however, manpower policy should aim at making obsolete such words and phrases as "manpower" and "labor market," for our central concern must increasingly be with the worker as a human being rather than as an instrument of production. For example, the major purpose of education and training must not be simply to produce more effective human tools for the use of employers but, rather, more effective human beings for participation in, and for enjoyment of, all aspects of living. . . .

Arthur M. Ross, when he was Commissioner of the Bureau of Labor Statistics, pointed to the emerging of this kind of an idealistic concept of the goal of manpower policy.[36]

> Up to now, "full employment" has been the most general statement of our national objective. There is considerable evidence, however, that a more ambitious and challenging goal, which might be called "full realization of human potential," is emerging.
>
> Thematic statements of this type represent the ideal which is sought, not the reality which is achieved. We have almost never enjoyed full employment except in periods of war. Yet, the existence of the commitment has certainly made a difference. . . .
>
> . . . the goal is to give all Americans [who are out of it] the opportunity to move into the mainstream of national life [or working life].
>
> Thus, a new view of the manpower goal, which concentrates on human aspirations and possibilities, as well as accumulated skills and jobseeking endeavors, is emerging. Up to now, labor-market policies (as well as labor-force statistics) have concentrated on the quantity of jobs. One hour's work — no matter what kind of work and what kind of pay — classifies an individual as employed. But jobs have not only a quantity but also a quality; they vary in capacity to contribute to the output of goods and services, to yield a decent income, and to satisfy other legitimate human aspirations.
>
> Recent policy declarations state that rewarding, self-respecting, and self-fulfilling employment, not merely something which qualifies statistically as a job, should be the birthright of every American. . . .
>
> The emerging restatement of the manpower objective involves a radical concept of equal opportunity which might be called economic universalism. We are in the course of resolving that the illiterate farmhands and casual laborers in the back country and small towns of the South, the subsistence farmers and ex-coalminers of Appalachia, the inmates of the slums and ghettos of the North, and the pauperized Indians of the Southwest will all be provided with sufficient motivation, discipline, education, and training to join the parade on the broad highway of economic progress.

There are those who scoff at such idealistic goals for manpower policy, label-ing them "pure rhetoric." It is a mistake to do so, for they provide a qualitative humane dimension to the goal of activity, an essential dimension when that activity is a service carried on both for and by human beings. Although such goals provide few guidelines for functional specifications, they do remind us that any action taken comes eventually into sharp focus on the life problems, failures and successes, frustrations and aspirations of real human beings. Such goals reassert what can easily be forgotten, namely, that these human beings accept and support popular government with a willingness premised on their expectancy that the ultimate purpose of government is to promote and make secure *their* general welfare. They offer a challenge to any tendency to plan and operate programs as though the beneficiaries were merely resources for a productive and profitable enterprise, or numbers on a roster, or the inputs in a computerized accounting system. They announce alike to beneficiaries and administrators that man does not live by bread alone; and they stress not only the importance of what is done, but also the spirit and the climate of compassion and mutual respect in which it is done. Such goals also give meaning and significance to the efforts of those who direct and administer the projects. Bureaucrats do not live by rules and statistics alone. Moreover, while it is difficult to translate such ideal statements into programs of action, the process of invention of projects will be stimulated by a contemplation of the significance of such ambitious goals for the next steps to be taken.

---

[36] See footnote 30, pp. 56-59.

But concern for the shaping of policy and practice which is consistent with progress toward realizing such common values does not distinguish those engaged in manpower tasks from those engaged in other fields of private and public activity. Manpower programs have no monopoly on making contributions to the achievement of such goals. A commitment to bringing out into life the ideal values of western democracy is an essential but not a unique feature of manpower programs. The programs of public health agencies, community development commissions, religious institutions, schools and colleges, charitable organizations, the conservation service, civil rights commissions, and public assistance agencies hopefully serve the same end of supporting basic human values.

Activities in all such institutional areas must, however, be geared operationally, not only to such ultimate objectives, the most of which are the same for all of them, but also to a specific mission which provides a direction for, and a standard for, testing the specific policies and programs in their particular area of involvement, and a guide to the appropriateness of the kind of activities in which the particular agency should be engaged.

Contribution to the Solution of Societal Problems Mission

A somewhat similar generalization is applicable to the concept of the mission of manpower policy as that of helping to stabilize and strengthen the economy and the political system. The spelling out of desirable specific characteristics of a sound economy is, however, a bit more suggestive of the particular functions required of manpower programs if they are intended to make a major contribution to full employment or low aggregate unemployment; reasonable price stability; increased productivity; a satisfactory rate of economic growth; the economic security of workers and their families; the full exploitation of the opportunities presented by technological change; the uncovering of ways to develop and use, rather than squander, our vast wealth of human resources; the avoidance of urban or rural decay; and the improvement of the chances for societal peace and harmony.

These goals do imply specific functions of collaboration for manpower authorities, but success or failure in their fulfillment is the shared responsibility of so many agencies and the consequence of so many variables outside the control of manpower authorities that such goals do not define a mission with respect to the carrying out of which the manpower authorities can be independently evaluated.

Because, however, the resources and operations of the labor market are factors so clearly related to such objectives, the collaborative relationship of manpower authorities with the others contributing to the attainment of such goals provides essential ingredients in the mission which is appropriate for those authorities. In activities which involve so many partners, it still remains necessary to determine what, in the whole set of tasks essential for moving toward such goals, is the specific task of manpower policy and practice.

Operational Field Mission

No operational concept of the mission and responsibilities of private or public policy and of the agencies charged with formulating and implementing it can be clearly stated until we define the nature and boundaries of the operational field within which, and with respect to the peculiar and characteristic problems of which, the contemplated action is to take place. Once that is done, the functions essential to dealing with these problems (that is, the policy in action) can be outlined; the ideal values to which the action is especially to be, or ought to be, oriented can be chosen; the reciprocal cooperative or competitive relationship of action in this operational field to the action in other operational fields can be determined; the targets of action in terms of persons and institutions can be visualized; the appropriateness of choices among alternative approaches such as authoritative direction, technical assistance, financial assistance (and in what form), advice, inspiration and stimulus, regulation and control, or other forms of participative relationship can be assessed; the balance between preventive and remedial action most likely to solve the problems presented can be calculated; and an appropriate organizational and administrative system can be devised.

Consider the definitive character of the operational field, and consequently of the mission, of the following public agencies when compared with that of the manpower authorities: Federal Reserve Board, Interstate Commerce Commission, Securities and Exchange Commission, Federal Bureau of Investigation, National Labor Relations Board, Public Health Service, Judiciary, and Bureau of Indian Affairs. Their mission has evolved over time, but the comparative definiteness of their respective operational fields has provided a framework which has kept the mission both within bounds and comprehensive enough to deal with the most critical of the problems relevant to the fields. There have been debates over the choice of values to be served. There have been border jurisdictional skirmishes with other agencies on the frontiers of their operational fields as well as rationally worked out collaboration and division of labor. There have been disputes over what groups of persons and what institutions should be the target of what kinds of action. There have been challenges that their functions were inadequately designed and, in some cases, inappropriate for the particular agency. But the understanding of the nature, problems, and boundaries of their operational fields has provided a catalytic element inducing a resolution of differences.

Now if we are going to be satisfied to accept the operational field of manpower policy in the United States as the life conditions and resources of the disadvantaged unemployed, the limited mission to increase the employability and employment of that group makes good sense. That definition provides a touchstone by reference to which target groups and institutions can be chosen. It brings into the center of attention and concern the human values which must be, and can be, supported. It gives a clue to the kinds of functions that are relevant to the problems of people in that operational field. A major weakness with respect to the organization and the carrying out of those functions is that many of them are so similar to, or identical with, the functions of those whose operational field is the world of poverty that border disputes are difficult to resolve.

The chief weakness of that definition of the operational field, however, is that its boundaries do not enclose a territory providing operational room for a policy and program serving the ends which manpower policy and program can potentially serve. If the scope of a manpower policy and program for the United States is not to be exclusively directed toward increasing the employability and employment of the disadvantaged, the boundaries named above do not mark out an adequate operational field. Nor are the derived concepts of mission, placing upon manpower authorities the opportunity and responsibility to support human values and to contribute to the solution of large economic and political problems, sufficiently focused to provide the clues to the distinctive operational field appropriate for those carrying out a manpower mission of broader scope.

How can we define the focus and boundaries of the operational field of a comprehensive manpower policy and action by reference to which the several aspects of its mission can be determined?

What's in a Name?

The original term used to describe the operational field for this postwar development in specifically assigned public responsibility was "the labor market," and the relevant policy was referred to as "an active labor market policy." The mission was described as "bringing into short- and long-range balance the supply of, and demand for, labor to achieve full employment with price stability and to promote national and personal economic stability and growth." The logical sequence from the concept of operational field to that of mission originated with labor-movement economists in Sweden and was promoted with some amplification, but with no essential change in focus, generally, and particularly in Western Europe, by the Organisation for Economic Co-operation and Development.

The decision to change the name of the policy from "labor market" to "manpower" was made by OECD in 1963. I was very conscious of that change, for I had been invited to deliver the orientation paper for the OECD conference of trade union leaders in Vienna on "An Active Labor Market Policy." I had prepared the paper, making extensive use of the term "labor market." Just before my departure, I received a communication from OECD that the term had been changed to "manpower." It became clear in the conference discussions that a major reason for the change was a concession to trade union objections to the impersonal, unhuman, and "commodity" concept of labor implicit in the original terminology.[37]

But it was also clear that the change in name was not meant to connote a change in the nature, scope, and mission of the efforts formerly considered to be relevant to the implementation of "labor market policy." The terms were used interchangeably throughout the conference, and the Swedes still use "labor market policy" in discussions among themselves and "manpower policy" in discussions with foreigners. There is no difference in substance. And once it becomes clear, from that substance, that the human interests and needs of people as well as the economic and political interests and needs of the nation are to be served by the policy and practice involved, any sense of conflict is removed. It can be assumed that as long as the scope and focus of the activities which implement a policy are meeting a felt need, the name of the policy is of secondary importance. "A rose by any other name would smell as sweet."

---

[37] This was not the case with the Swedish Trade Unionists; the term "labor market" is still employed in Sweden. There have begun to appear in Swedish reports, however, signs that they are sensitive to the overtones of the term. In recent official statements and in explanations by public officials of an "active labor market policy" occur such statements as the following:

- Labour market policy not only has the task of balancing economic changes, dependent on the labour market situation. It also plays an important part in facilitating structural changes. Besides this, it is subordinated to social and humanitarian considerations, which as a matter of fact were its primary task.
- Obviously, to attain balance on the labour market is not the only aim of labour market policy. Its first aim is to assist individuals to find the kind of work which gives them economic and personal satisfaction.

It is not likely that the current *de facto* concept of the operational field for American policy as "the employment and life conditions of the disadvantaged unemployed," with the emphasis on direct services to persons, particularly disadvantaged persons, grows solely from the spelling out of the most obvious connotation of the label "manpower." But that word does suggest the primary emphasis on the *supply* of labor, and is not inconsistent with concern about the least employable persons constituting that supply. The word does not, however, automatically call to mind the full extent and mission of an active labor market policy and program.

I do not wish to engage in a debate whose issues are semantic. But in setting forth the concept of mission for "manpower" policy, which in my judgment provides both adequate scope and sufficient and practical operational focus for such a policy, I am going to use the term "employment policy" as more descriptive of what I have in mind than either "manpower policy" or "labor market policy."

The operational field for a more comprehensive "employment policy" is the *system and process of particularized employment* in each locality and in the nation as a whole. The adjective "particularized" is used to distinguish this policy from that which has sometimes also been referred to as "employment policy": namely, the policy of utilizing monetary and fiscal measures to expand or contract aggregate consumer demand and industrial and business investment and activity, resulting in the derived demand for labor. The projected results of this latter policy are relevant, not simply to producing either aggregate or particularized employment but to the operation of all processes of the economy, including profitmaking, investment, government revenue and expenditures, foreign trade, and maintaining the soundness of the dollar. It is therefore properly labeled "economic policy."

The system and process of particularized employment are as important foundations for the social, economic, and political health and growth of the nation as the systems and processes of communication; transportation; banking; intrastate, interstate, and foreign commerce; industrial production; education; conservation; public health; defense and public order; taxation; wealth and income distribution; collective bargaining; religious faith and practice; the creation and support of ethical and cultural values; the administration of legal justice; political representation; and public assistance and relief. If that system of particularized employment is effectively and efficiently ordered and managed, the efforts within all of those other operational fields are likewise more effective and efficient, for its impact on what can be done in these other areas is great. The adequacy and quality of the economic, political, and social products in those fields are dependent on the quantity and quality of the particularized employment relationships organized to carry on that work. The goods and services produced by those employment relationships are the foundation not only for the economic strength of the nation, but also for the plane of living available to the people. The income from those relationships determines the degree of access of individuals and families to those goods and services. In a culture in which self-support through work is a dominant value, the opportunity and security provided by particularized employment are an essential basis for the experience and realization of self-respect and human dignity. Morever, performance in that system of employment is a major ingredient in the criteria by which individuals are judged, and therefore their social status among their fellows.

The expectancy that government will promote and undergird the general welfare leads it to meet that expectancy and to discharge the implied responsibilities by setting up agencies to cultivate and bring order and effectiveness into the operational fields of such systems and processes as communication; transportation; banking; intrastate, interstate, and foreign commerce; defense and public order; etc. It is equally important that the system of particularized employment relationships receive the same attention. That importance is increased by the obvious fact that policy in this operational field serves not only economic goals, but political and social and individual human goals as well.

A Comprehensive Manpower Policy

Government policy and practice in this field is therefore highly significant in the promotion and sustaining of the general welfare. And because the operational field is defined as "the system and process of particularized employment," it has focus and recognizable frontiers. Stated in the most general terms, therefore, the mission of the government *employment policy* is to promote and sustain the general welfare *insofar as that general welfare is dependent on the system and process of particularized employment.*[38]

More specifically, the mission of employment (manpower) policy within this operational field is:

---

[38] Among the students of manpower policy and practice, there are a number whose definitions of objectives suggest this emphasis on the system of particularized employment as the operational field for policy. The definition of Professor Charles A. Myers, for example, is of this sort: "The central task of manpower policy is to facilitate the *employment process* [emphasis supplied], and in these times to assist in the achievement of full employment with reasonably stable prices . . . the end result is the productive employment of people." (See footnote 11, p. 286.)

1. To facilitate and expedite particularized employment which is maximally productive, economically rewarding and dependable for workers and employers, individual and national growth-stimulating, and freely chosen, by:
    a. Developing employability in particular people — employed, unemployed, underemployed, and nonemployed.
    b. Creating, enlarging, and increasing the productivity of, and opportunities for, employment wherever and whenever these are inadequate to provide jobs for those desiring to work.
    c. Providing or stimulating local and national labor market facilities and services and arrangements to bring available workers and available jobs together expeditiously.
2. To undergird the effectiveness of the above processes through:
    a. Anticipating and initiating preventatives of, and correctives for, both shortages and surpluses of labor in both the short and the long run.
    b. Making more effective the public institutions which provide services *immediately* related to the processes named in (1) above, with respect to their organization, administration, and personnel; and stimulating such action in relevant private institutions.
    c. Strengthening the institutions and processes which are basic to the *general* development of employability, to the creation of employment opportunities, and to matching the two, but which have broader societal functions as well.
    d. Contributing to the formulation and implementation of broad social welfare and economic policies which affect, and are affected by, the carrying out of the mission of employment policy authorities and by the system and process of particularized employment.
3. To supply resources for mission aspects (1) and (2) above by:
    a. Conceptualization and the gaining of a working acceptance of the comprehensive and basic mission of employment policy and functions.
    b. Continuous monitoring and evaluation of the performance of public and private agencies engaged in the three basic processes for facilitating and expediting particularized employment. (See [1] above.)
    c. Periodic reports to the President, Congress, and the public concerning: (1) purpose, (2) problems, (3) program status and progress, and (4) situation and trends with respect to the adequacy of public and private facilities relevant to fulfilling the mission of employment policy.
    d. Research: its distribution and application related to basic and operational problems faced, both current and anticipatory.
    e. Direct operation and/or funding of mechanisms for accomplishing the mission of employment policy supplementary to or supportive of those provided in the private sector.

f. Economic support for individuals and firms appropriately assisted by employment policy programs, including allowances to encourage movement of workers to jobs and jobs to workers.
g. Financial support to institutions and organizations engaged in the development of employability and in the creation of employment opportunities.
h. Technical assistance and advice to such institutions and organizations.
i. Collaboration with other public and private agencies and organizations whose efforts also contribute to strengthen the system and process of particularized employment.
j. Identification of changing needs and the initiation and development of strategic activities and programs to meet these needs.

The Integrating Focus: Economic or Social Welfare?

By naming the policy here under discussion as "employment policy," by delineating its operational field as "the system and processes of particularized employment," and by defining its mission as "facilitating and expediting particularized employment which is maximally productive, economically rewarding and dependable, individual and national growth-stimulating, and freely chosen," one opens himself to the charge that this approach neglects the human and social aspects of that mission and concentrates dominant attention upon its economic aspects.[39] The charge is superficial. It assumes a dichotomy between economic and social welfare which in fact does not exist. The emphasis on particularized employment is made in order to give focus and organizational integration to an economic effort, the success of which is a *sine qua non* in the achievement not only of economic well-being but of human and social welfare as well.

Individuals cannot satisfy their total human needs and aspirations, and government cannot provide effective support for that achievement in the absence of rewarding, dependable, secure, and productive gainful employment. Arranging and managing the factors and processes which make that possible are chiefly economic problems. Nevertheless, because the process involves building and maintaining a relationship between human beings, an impact on the success or failure of the effort is made by every human quality, interest, predisposition, and condition of life of both employees and employers. The development of employability in people contributes to the satisfaction of their total human needs and aspirations only if that employability is useful to themselves and others, and if they can find employment in a healthy economy. That employment will be offered only if their work is considered economically advantageous to profitseeking employers, or if it is considered to supply services which can be paid for within the budget restraints of nonprofit institutions, or if it is considered by taxpayers to be work which provides products and services for which they are willing to pay by the very economic process of taxation.

---

[39] That charge has been made concerning my discussion of the premises of manpower policy in an earlier book, entitled *A Positive Labor Market Policy* (Columbus, Ohio: Charles E. Merrill Books, Inc., 1963). Chapters I and XI of that book contain an answer to the charge.

This does not mean that employment serves *only* economic ends for workers, to employers, or the public. Its doing and its rewards are important ingredients in the cement which stabilizes family and community relationships; lack of employment and inadequate rewards therefrom undermine those relationships. Experiences in gainful work develop qualities of character and moral action important to the stability of organized society. The degree of adequacy of the opportunities provided by the system and process of particularized employment is a basic determinant of the degree of experienced justice, which in turn has its impact on the commitment of people to the support of the economic, political, and social system within which they live and work.

Nor can the exclusive economic character of employment be supported by evidence that the motivation for either public or private employers is, or needs to be, *solely* economic. It never has been. Private and government employers have been known to use their power to create and fill jobs to help disadvantaged and unfortunate people out of trouble, to answer the urgings of moral and religious conscience, and even to provide favors to friends when mere economic efficiency motives would have suggested another course.

The fact that the system of particularized employment is one of the most essential foundations upon which the achievement of values important to human beings is based, is as obvious as the fact that other essential foundations are the systems of public health, education, communication, transportation, industrial production and distribution, legal justice, political representation, conservation and development of natural resources, money and credit, and public assistance. But the focus of effort, the functional specifications, and the integration of required activities to build and maintain these foundations are not supplied, for those charged with responsibility in these areas, by the proclamation of their social welfare relevance. The soundness of policy and practice of agencies in some of these areas (e.g., agencies in the areas of public health, education, political representation, and public assistance) is continuously tested by whether or not such agencies make a contribution to social welfare. Manpower agencies are also subject to such testing. The human and social consequences of this relevancy to human and social welfare add significance and urgency to the work of those performing public tasks in these areas. Their concerns are broadened beyond attention to the immediate technical requirements of those tasks. But the organization and direction of their labors lose focus and integration unless the guiding principles of operation are geared to the central and dominant problems relevant to those technical requirements.

For those who plan and direct government efforts to facilitate and expedite the establishment and maintenance of a system of particularized employment which is maximally productive, economically rewarding and dependable, individual and national growth-stimulating, and freely chosen, the technical requirements are produced by the fact that the process of employment is one in which the parties are first of all exchanging what has economic value and by the fact that the exchange can take place in normal circumstances only when the supply of labor offered by one and the demand for labor made by the other are reciprocally advantageous in economic terms.

VIII. Distribution of Responsibilities and Tasks

My major objective has been to clarify and bring into focus a concept of the mission of employment (manpower) policy which (a) is comprehensive enough to be consistent with its potential for promoting the economic strength and growth of the nation and the economic and social welfare of citizens, and (b) is definitive enough to provide reliable and practicable guidelines for the determination of the operating organization and functions of a governmental employment (manpower) agency. This concept is related to, and derived from, a survey of the requirements for cultivating the operational field appropriate and essential if those results are to be achieved.

But drawing the boundaries of an operational field does not eliminate all border disputes. Indeed it may initiate such disputes, or at least raise jurisdictional questions. The problem arises from the fact that on the frontiers of the operational field encompassing the system and process of particularized employment, and frequently in the heartland itself, those who plan, direct, and administer the required tasks must take account of the efforts of those who cultivate other related fields, or who are actually performing similar functions although their operational field, mission, and objectives are not the same. Moreover, there is an interdependency among their several efforts so that it is necessary, in prescribing a function, to consider not only what is to be done by the employment (manpower) agency, but what the relationship of this function is to the functions of other agencies. Implementation of employment (manpower) policy has aspects which approximate autonomous activities by a government agency charged with such a responsibility. But the sources and determinants of employability and of employment opportunities are so intimately woven into the whole fabric of societal life that autonomous action by such an agency is seldom possible, or indeed desirable. Moreover, the process by which particularized employment relations are established and maintained is predominantly invented and managed by private persons and institutions in ways geared to their particular needs, opportunities, and individual interests which they seek to satisfy by participation in that process.

There are very few activities, from the cradle to the grave, intended to socialize, educate, train, and to maintain the physical and mental health of individuals which do not affect, directly or indirectly, their employability. Moreover, few activities that stimulate the demand for goods and services, the setting up of enterprises, the recruiting of workers, and the organization of work to meet that demand are irrelevant to the opportunity for the particularized employment of individuals. No activities that bring supply and demand together in the labor market are irrelevant to the establishing of quantitatively and qualitatively desirable particularized employment relationships.

What I am saying is that even when the operational field and mission for employment (manpower) policy are defined as outlined in the preceding chapter, a difficult problem remains of specific assignment of functions to the agency charged with implementing that policy; and a pressing question is raised as to the mode of relationship which will govern the interaction of that agency with all others whose activities affect, and are affected by, employment policy and practice. Mutual involvement is unavoidable. The critical question is the *mode* of involvement.

The Mode of Involvement

It is difficult to see how it is possible to establish and operate an employment (manpower) policy of sufficient scope and focus to fulfill the responsibilities indicated and to realize the potential for national, regional, and individual economic health unless there is a central body charged with cultivation of the broad operational field described as the system and processes of particularized employment. The formulation, interpretation, and promotion of overall policy; the monitoring, keeping abreast of, and evaluation of the multiple and many-phased activities and programs; and the identification, planning, initiation, and support of new strategic activities geared to changing economic, political, and social needs are tasks difficult, and well nigh impossible, to perform effectively unless responsibility for them is focused. Moreover, unless this is the case, the significance and potential of the employment (manpower) emphasis in government policy and practice will not be recognized and given due weight and priority by the administrators of related sectors of government policy, or indeed by the legislative and executive branches of government.[40]

But to say that a single employment agency is essential for these purposes, is not to say that such an agency should be assigned the task of directly and *independently* administering all of the activities related to making more productive, secure, growth-stimulating, and voluntary the system and processes of employment.Our discussion of the questions essential to cultivating effectively the operational field appropriately assigned to an employment (manpower) agency has been liberally sprinkled with such conditional adjectives as "collaborative," "cooperative," "advisory," "supportive," "stimulative," "evaluative," etc., as well as such terms as "authoritative" and "directive." Such adjectives suggest several modes of relationship and involvement.

The determination of the mode of involvement in particular areas of effort and at particular times will realistically be governed as much by the desire to protect traditional jursidictions and by the response to intragovernmental and extragovernmental political pressures as by organizational logic. The following, however, are some of the alternative modes of administration available to a government employment (manpower) agency to provide a national direction consistent with a national policy.[41]

---

[40] Compare with the section on "Policy Making and Administration" in OECD Council, *Recommendations on Manpower Policy.*

Directive Administration

The employment (manpower) agency operates directly, and with authoritative powers delegated to it by the legislature, certain centrally relevant institutions and programs. Policy and procedures, under legislative mandate, are the direct responsibility of directors of the agency. Examples of such responsibility are: the overview; forecasting; planning; monitoring; research; appraisal; recommendations for overall employment policy; periodic public reporting; and the administration of the Employment Service (and its mobility encouraging and implementing tasks), of Regional Skill Centers, and of preventive, compensatory, and "last resort" or "initial opportunity" employment-producing projects.[42]

Indirect Administration Through Financial Support, Advocacy, and Supervision

The employment (manpower) agency reviews proposals for program operation and requests for funding or financial assistance from state and local, public and private, organizations and institutions. The programs may be those advocated by the central agency or initiated and proposed by other organizations, but they are to be administered directly by the latter. The central agency approves or disapproves the financial support for the establishment and continued operations of such programs, and monitors and supervises the administration of the programs by reference to standards for evaluation of their consistency with, and contribution to the implementation of, national policy. Examples are: on-the-job training for upgrading and developing manpower in short supply, job creation by means of regional and urban rebuilding and by compensatory public works, training of persons of marginal employability, and educating and training higher talent manpower.

---

[41] The relationship of the central federal employment agency to state and local employment agencies is not here discussed. It is a crucial and complicated relationship in the United States, and one which has a critical impact on the possibility for the implementation of an effective national employment (manpower) policy. But the problems involved are beyond the scope of this pamphlet which is concerned chiefly with clarifying the operational field and mission of employment (manpower) policy.

[42] The question of division of responsibility between the federal and the state governments is sharply debated with respect to the administration of the Employment Service, Regional Skill Centers, and compensatory employment-producing projects. The difference among "experts" focuses on a choice between the first and the second modes of administration here defined.

Technical Assistance Administration

The employment (manpower) agency provides organizational and managerial staff assistance for the directors of programs which the supported agencies administer; it also provides training institutes for the administrators of the programs.

Specific Function Administration

The employment (manpower) agency is charged with responsibility for the carrying out of a specific function germane to the operation of programs basically administered by other organizations or agencies (as well as, of course, its own directly administered programs). Examples are: timing of, and directives for initiation of, unemployment preventive public works; recommending timing and location of urban and regional development projects; and selection of candidates for, and counseling and placement of, "graduates" of institutional training projects.

Collaborative Administration

The employment (manpower) agency is authoritatively represented in the councils of public agencies which implement policies regarding population, immigration, education, public health, fiscal and monetary measures, trade, industrial relations, social insurance, civil rights, public assistance, and wage and price regulation. The employment agency representatives are charged with the responsibility of clarifying the implications of the consequences of these policies for satisfactory results from the processes of, and the available supply and demand resources for, the system of particularized employment, and vice versa; and with the responsibility of recommending proposals for initiation or modification of policy and practice in the several policy areas.

Diagnostic, Referral, and Contract Administration

The employment (manpower) agency, in the course of diagnosing the employability needs of its clients, determines upon the necessity for individual or group services requiring professional personnel and facilities in specialized fields. The aforesaid clients are referred to such services, and the acceptance of the referral and setting up of special arrangements or facilities for performing the services may be contracted for and subsidized by the employment (manpower) agency. Examples of services to which referrals can be made are: physical and mental rehabilitation, remedial basic education, and on-the-job training.

Stimulative and Harmonizing Administration

The employment (manpower) agency is charged with focusing the favorable attention of public and private employers and employees and of their respective organizations, as well as of the directors of public and private agencies whose activities have a bearing on national employment policy and practice, on the objectives and potential contributions of that policy and practice; it is also charged with stimulating the initiative and cooperation of these groups in the implementation of that policy. This mode of involvement is particularly crucial in view of the fact that the great volume of employment practice in a free and democratic country is discretionary with these groups. A central employment agency can propose; but these groups will practically determine, by their self-interest-serving responses, what the actual employment policy is.[43]

Premises for Allocation of Functions

So central a factor is the particularized employment relationship in the totality of societal organization and action and in the substance of life for all our people, that an agency designed to deal with and synchronize all the factors involved would get directly involved in nearly every aspect of life and every area of institutionalized effort in the country. No one proposes that a governmental agency to implement employment (manpower) policy undertake a job of those proportions. On the basis of what premises can the appropriate proportions and mode of the involvement for such an agency be defined?

I. Premise number one is that there is need for a single agency to interpret legislative and executive formulated policy and to exercise the functions of overview and study of the total factors, processes, and mechanisms involved in the implementation of that policy. Moreover, it is essential that a single agency have responsibility and authoritative opportunity to plan for and to propose modifications in the action programs involved, and to monitor the performance of agents and agencies charged with carrying out those programs.

II. Premise number two is that every factor and societal process whose action can reasonably be demonstrated to affect the system and process of particularized employment should be the subject of overview, survey, monitoring, and periodic reporting by the employment (manpower) agency. The annual Manpower Report to the President can well be the primary focus of summary reporting although other media may be more appropriate for the reporting in depth of particularly important developments. It goes without saying that self-conducted research, as well as the collation of statistical and other research efforts by other public and private research agencies and institutions, is a necessary and appropriate function. Of particular importance in the implementing of this assignment are the following data:

---

[43] The OECD Council's *Recommendations on Manpower Policy* contains these relevant comments: "Employers and workers, through the development of manpower programs on a plant, establishment, or industry basis, can make an important contribution to the promotion of economic growth. Such programs, which will vary widely in both form and nature among industries and countries, can frequently be stimulated through appropriate labour-management-government consultation and cooperation. To be effective, such consultation must spring from an appreciation of the role employers and workers and their organizations can play in promoting economic growth and improvement in standards of all people."

A. Facts and trends in employment, unemployment, underemployment, underutilization, and shortages of manpower within all occupational, industrial, and geographical sectors, and in all earning-group classifications.
B. Facts and trends in the characteristics of actual and potential labor force members relevant to their employability.
C. Facts and trends in occupational, industrial, geographical, and earning-classification movement of labor.
D. Facts and trends in job vacancies and anticipated fluctuations in demand for labor in the several occupational, industrial, and geographical sectors.
E. Numbers served and expenditures made in implementing programs undertaken or supported by manpower authorities.
F. Facts and trends in the total system of educational and training facilities and institutions available and in use for the development of employability in persons, as well as a continuous evaluation of the present and anticipated qualitative and quantitative adequacy of these facilities and institutions in the light of present and developing national and sector needs.
G. The changing character of, and the structure of demand for, manpower in the short and long run, and the factors (such as technology, trade pattern, and business organization) which are stimuli to such change.

It goes without saying that the gathering and distribution of such data (A-G above) should serve the purpose of anticipating both national and sectoral changes, providing an adequate lead time to make possible preventive action. In other words, the data should be a basis for forecasting, planning, and timely adaptive action as well as for analysis of results. Such timely action in adaptation to changes in factors indicated in A-E above requires monthly reporting.

III. Premise number three is that there should be no limits whatever to the establishment of collaborative and mutual aid relationships between employment (manpower) agencies and programs and all other agencies and programs directly and indirectly affecting the establishing of particularized employment relationships, including those ultimately rather than immediately relevant to the development of both the supply of and the demand for labor.

Wherever limitations on the scope of employment (manpower) agency opera-

tions are suggested by the premises set forth below, these overview, planning, monitoring, informatory, collaborative, and mutual aid relationships are still relevant.

IV. Premise number four is that the central operating function of the employment (manpower) program is (a) the actual consummation of particularized employment relationships, together with (b) the immediate supplementation of whatever previous and existing educational and training effort has been made to make individuals employable in terms of the requirements of existing or possible job opportunities, and (c) the stimulation or creation of job opportunities where these are inadequate to use the working skills and capacities possessed by available or potentially available workers.

The farther the activities are removed from this central and immediately relevant function, the greater the burden of proof which should be placed upon the framers and the directors of the employment (manpower) program to demonstrate the necessity that these activities be performed directly by *them*.

Tentatively, it would be defensible to list the following components of that central function:

A. Management of labor market processes and mechanisms independently and/or in collaboration with other private or public authorities.

1. Employment counseling, involving diagnosing and testing of individuals' employment potential; familiarizing them with the state of, and trends in, the labor market; and referring them to intraemployment and extraemployment policy services.
2. Maintenance and distribution of job-applicant and job-vacancy registers.
3. Management of a system of job-vacancy reporting.
4. Management of a system of early warning from employers concerning prospective changes in their requirements for manpower, particularly major layoff and expansion probabilities, and an immediate marshaling of labor market mechanisms for preventing surpluses or shortages of labor resulting from the changes.
5. Placement in, and movement to, local and interarea jobs, including building bridges for youth between school and work.
6. Job search and recruitment for local and interarea jobs.
7. Planning for and managing movement of foreign labor.
8. Administration of aid-to-movement allowances and subsidies for workers and employers.
9. Integration of civil service and general labor market processes.

10. Operational research relevant to these tasks: labor market, client characteristics, and resulting followup and evaluation.

B. Development of usable employment skills and capacity, independently and/or in collaboration with government departments, employers, trade associations, trade unions, and the school system for unemployed, underutilized, employed, and not-yet-employed manpower.

    1. General post-high school institutional vocational training and maintenance of skill training centers for this purpose.
    2. Specific occupational training, including on-the-job training and apprenticeship in private industry.
    3. Specific occupational training within government departments.[44]
    4. Refresher occupational courses.
    5. Work experience.
    6. Occupational rehabilitation for the handicapped and disadvantaged where no major physical or mental problems are present.
    7. Administration of training allowances independent of, and/or in coordination with, other income maintenance systems (e.g., unemployment insurance, workmen's compensation, veterans' payments, public assistance, and relief payments).
    8. Coordination of all financial aid to students at all levels by reference to developing and changing needs for manpower.
    9. Cooperation with defense establishment in coordinating armed forces and civilian training for civilian employment, and reentry of servicemen into civilian jobs.
    10. Operational research relevant to these tasks.

C. Development of job opportunities.

    1. Collaboration in developing and stimulating public works, work experience, area and urban redevelopment, and employment opportunities stemming from government procurement contracts.
    2. Control of, or authoritative participation in determination of, timing and allocation of the foregoing job-producing efforts so

---

[44] An interesting proposal that the government should become an employer of "initial employment opportunity" is contained in a staff paper of the Upjohn Institute. Government would subsidize its own agencies from MDTA and other "manpower" funds to employ and train persons for middle-level tasks which are also part of the operations of private business and industry. After training, some would remain in government service and some would move to fill positions in the private sector. See Samuel M. Burt and Herbert E. Striner, *Toward Greater Industry and Government Involvement in Manpower Development* (Kalamazoo: The Institute, September 1968), p. 17.

that they may serve as measures for preventing as well as alleviating unemployment.

3. Collaboration with private and public employers in providing work for those of marginal and submarginal employability.
4. Creation and administration of public projects of work for residual groups.
5. Sheltered workshops (also related to B).
6. Search for work-experience possibilities.
7. Development of "linked employment opportunities" for migratory and seasonal workers.
8. Employer services.
9. Operational research relevant to these tasks.

V. Premise number five is that, where traditional, long-established institutional arrangements have been made by the community to provide the services required, any *independent* operation of those services by a government employment (manpower) agency should depend upon demonstration of the following proposition: Those existing institutional arrangements are not providing, and cannot provide, services of a quantity and quality consistent with the policy for establishing adequate productive particularized employment relationships, which is the objective of the employment (manpower) program, under present conditions in the labor market or under (more difficult to prove) probable future conditions in the labor market.

Tentatively, it would be defensible to require such a demonstration in the case of:

A. Basic education for adults.
B. On-the-job training.
C. Apprenticeship.
D. Those listed below under premises six and seven.

It is desirable, however, at this point to reemphasize that the basic and comprehensive mission of employment policy is not one of merely "filling gaps" where they appear. The mission covers the full range of responsibilities set forth in premises one through four above. The fact that gaps or inadequacies appear in public or private activities relevant to those responsibilities simply amplifies the urgency of the need for attention by government authorities.

VI. Premise number six is that, whenever services related to, and supportive of, employment policy become professionalized, and whenever the professional interests, concerns, and methods are much broader than those related to the establishing of employment relationships, the services should normally be made available to employment (manpower) agency clients on an interagency contract and/or referral basis.

Tentatively, it would be defensible to include the following in such a list of services normally appropriately to be provided on a contract and/or referral basis:

A. Relief, case work, family services, and other forms of social work.
B. Physical and mental rehabilitation, or corrective health services.
C. Correction of general and basic educational deficiencies.
D. Legal counseling.
E. Post-retirement payments and services, as such.
F. Income-maintenance services unconnected with the development of employability or the movement of workers to jobs, or economic security between jobs.

VII. Premise number seven is that excluded from the *independently* operated employment (manpower) activities, and to be dealt with on a stimulation and financial- and technical-assistance support basis, should be those educational activities which, although having an ultimate impact on employment, are well established in their own right and involve unique elements in their charters, objectives, reference-group identifications, methods, and administration, extending their interests far beyond the horizons of the system of particularized employment.

Tentatively, it would be defensible to include the following in such a list:

A. Prevocational and all general education, including that at junior college and college levels.
B. Incidental manual skill training at the high school or grade school level.
C. Specific vocational curricula offered by public or private junior colleges.
D. Postbaccalaureate scientific and professional education of all kinds.

The concern of the employment (manpower) agency with the development of an adequate quantitative and qualitative supply of labor is appropriately expressed by recommendations regarding the extent and focus of financial support for such institutions and for the students whose working competence they are designed to amplify.

VIII. Premise number eight is that government policies and measures which are focused on the *general* aggregative supply, development, and security of people; on the creation, stabilization, and growth of demand for labor in general; on the stabilization and making more efficient of mobility within the labor market — and which have in addition broader economic, political, and social objectives — are nevertheless policies and measures affecting, and affected by, employment (manpower) policies and measures. While, therefore, it is appropriate that the attainment of these broader objectives should be sought by agencies whose organization and operation are geared to the nature of their respective *total* problems, the reciprocal impact of, and the interdependency of, these agencies and the employment (manpower) agency are so great that there should be established a decisionmaking liaison relationship among them.

The agencies to which this premise applies are those concerned with the implementation of the following policies:

A. Relating to the general aggregative supply, development, and security of people.

Immigration policy
Population policy
Education policy
Health policy
Public assistance and relief policy
Social insurance policy
*Military manpower policy
*Civil rights policy
*Scope of public functions policy
*Legal justice policy
*Housing policy

---

*Included also in the demand area.

B. Relating to the creation, stabilization, and growth of economic conditions favorable to general aggregative opportunities for employment:

Monetary policy
Fiscal policy
Trade policy
Investment policy
Conservation policy
Agricultural policy
Government procurement and contract policy
Urban and regional development and balanced growth policy
Public works policy
*Military manpower policy
*Civil rights policy
*Scope of public functions policy
*Legal justice policy
*Housing policy

---

*Included also in the supply area.

C. Relating to stabilization and making more efficient the general and labor market mechanisms:

  - Wage and price regulation policy
  - Industrial relations and collective bargaining policy
  - Civil service policy
  - Transportation policy
  - Community action policy

The liaison relationship between the agencies should not be merely advisory, but should provide for staff-function-exchange participation in the decision-making of the several agencies in which the interests and objectives of employment (manpower) policy are given a weight equal to the particular interests and objectives of the other policies.

Employment policy and practice must necessarily be carried out within the environmental circumstances and conditions produced by these broader policies and their implementation. At the same time, employment policy is the keystone in the arch constructed by all these policies to support and maintain the general welfare.

Since employment policy is the keystone, the mission of an employment (manpower) policy agency will have to be much more comprehensive than that implied in the present direction and emphasis of manpower programs. To increase the employability and employment of the disadvantaged among the unemployed is a laudable objective of government policy, and it is plausible to predict the favorable impact of such a mission, if accomplished, on three of the nation's critical and pressing domestic needs of the moment. Those needs are: to realize in practice equality of opportunity and justice for all citizens, long promised but deferred; to wipe out an important manifestation of racism; and to restore public order and respect for, and confidence in, the orderly processes of self-support and self-government. Important as that mission is, it does not fulfill the potential mission of an employment (manpower) policy to the nation and all its citizens. It has been the purpose of this treatise to suggest the nature of a mission adapted to such fulfillment.

Summary

The government's role in the manpower field is in some respects new but in many respects old. Many of the activities which today are recognized as falling under the manpower umbrella have long been the concern of those chosen to carry on the nation's political affairs. For example, support for vocational rehabilitation, vocational education, land grant colleges, professional education, armed services training, and even for some aspects of general education has long provided government assistance in the development of a qualified labor force. The regulation of immigration has greatly affected the labor supply. Urban and regional development, the direction of government purchases, depressed area renewal, work relief, the encouragement and protection of invention, industrial development, and foreign trade have amplified job openings for portions of that labor force. The Employment Service and the continuous statistical activities related to the operations of the labor market have provided facilities intended to expedite and make more rational the bringing of men and jobs together. This evolution of a multiplicity of activities which have a bearing on manpower problems is one reason for the wide distribution of the responsibility for such activities among many departments and bureaus of the government.

What is new in this decade, in addition to a special effort directed toward the sponsorship of a number of training activities and special efforts for particularly disadvantaged members of the actual and potential labor force, is the effort to develop a concept of a positive manpower policy and to synchronize and integrate the support for, and administration of, the various supply, demand, and labor market facility elements involved in the implementation of that policy.

That effort has not been completely successful. One reason for this is that a workable policy necessarily assumes that the action contemplated is focused on a commonly accepted objective, or at least on a priority relationship among several objectives. That is something we are not clear about.

There are two paramount objectives which have traditionally motivated government efforts in the manpower field. The first is to amplify the economic strength of the nation. The volume, productiveness, and adaptability of the particularized employment relationships in the country provide the national economy with essential resources for economic stability, viability, and growth; and with the ability to meet the tests of national strength raised by war, competition in international trade, and the desires of political leaders and others to boast about the superiority of our economic system.

A second paramount objective traditionally motivating government efforts in the manpower field is to increase the economic and social well-being of the nation's individual people. The volume, productiveness, and adaptability of the particularized employment relationships in the country provide individuals with income to buy a living and give them working roles which are an important factor in determining their status in society.

The effort to achieve each of these objectives is essential to the achievement of the other. Successful efforts to increase the nation's economic strength make firmer the institutional foundation for individual economic and social well-being. Successful efforts to improve the economic and social well-being, and especially the employability, of people provide better human resources contributing to developing national economic strength.

The demands of two wars and the scare thrown into the nation's leaders by Sputnik led to an initial emphasis on the national economic strength objective.

The rapid advances in technology and both the threat and the promise of automation and the need to turn these developments into sources of national strength and growth provided an initial objective for MDTA.

The actual working objective that can be inferred from the way manpower legislation and its administration have developed in the United States in the 1960's is, however, more closely related to providing economic welfare for individual people and, in many ways, to carrying out a major aspect of the war on poverty. Indeed, if one can infer objective from practice, it can be said, I think, that the manpower policy of the 1960's is simply the latest of those policies by which government has acknowledged responsibility for the economic well-being of individual citizens, and in particular those on the bottom rungs of the economic ladder. The idea of what is appropriate and important for government to do in implementing its overall manpower role has been colored very naturally by the idea of what is appropriate and important for government to do in relieving economic distress of certain people.

A positive manpower policy must necessarily be based on objectives. The two paramount and interdependent objectives have been the economic strength of the nation and the economic and social well-being of individual citizens. I am willing to accept the second objective, the one which has come to the fore in our present manpower programs, as highly important at this time. But I am not willing to accept it as the exclusive objective, or even as the paramount objective, of a positive manpower policy and program for the future.

The concentration of attention at the present time on the problems of disadvantaged groups and on the utilization of new so-called "manpower measures," not merely with the objective of improving the employability of the disadvantaged but as a means for income maintenance, is concentration on one laudable and desirable objective of manpower policy. Unless, however, the other objective of manpower policy: namely, to increase the nation's economic strength, stability, and viability, develops a wider and more comprehensive clientele and operational field for manpower activities, those activities will simply add up to a more sophisticated form of public assistance. In my judgment that is not the end sought by a positive manpower policy and program.

To be more precise, I look forward to a time when the meaning of manpower policy and program will be provided by an emphasis related to achieving national economic strength as well as the economic and social well-being of our disadvantaged citizens in the following ways:

1. Manpower programs will emphasize the development of particularized demand in the form of jobs geared to the characteristics of the available labor supply, as well as the development of employability in individuals.
2. The supply resources and, therefore, the focus of concern will be regarded as *all* potential workers whose productive potential is underutilized, as well as the disadvantaged, be they employed or unemployed.

3. The maximum development and utilization of productive potential will amplify, though not replace, the objective of removing men from the rolls of the unemployed.
4. Labor shortages will receive as thorough remedial attention as labor surpluses.
5. The needs of, and the opportunities provided by, the national labor market will receive attention equal to that given to the needs and opportunities provided by local and state labor markets.
6. The anticipation and prevention of unemployment in particular places, among particular groups, and in particular seasons will receive attention equal to that devoted to the relief of the unemployed.
7. The total overall direction and guidance of, and financial support for, all aspects of the manpower effort will be synchronized by a single agency at the federal level and at the local level.
8. The agency referred to in (7) will be responsible for keeping the public and public officials informed about the current status and anticipated developments related to the factors influencing demand and supply in connection with employment relations supporting all goods and services consumed in the nation, and about the facilities, both private and public, for achieving balance in that supply and demand.
9. The modification and development of programs will be guided by built-in and followup evaluation procedures so that the primary reliance for progressive improvement will be empirical experience rather than brainstorming sessions.
10. Every decision with respect to economic and social welfare policies will be made in full collaboration with the manpower agency and after due consideration of the reciprocal impact of the implementation of those policies and of employment (manpower) policy on each other.

A manpower policy which can realize its potential contribution to the economic, social, and political strength of the nation and to the economic and social well-being of all its citizens is an *employment* policy, the operational field of which is the system, processes, and mechanisms of particularized employment and its dual resources of employability in people and opportunities for work. Its objective is a system of full *particularized employment* which is maximally productive, economically rewarding and dependable for workers and employers, national and individual growth-stimulating, and freely chosen. Its clientele is the total labor force now employed, to be employed unemployed, underemployed, or ineffectively employed, whatever their type and degree of skill, industrial or occupational attachment, or condition of social or economic advantage or disadvantage.